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ABSTRACT

An outline is presented of business procedures related to the many facets of educational program operations. Statutes, regulations, practices, attorney general's opinions and reports, and court decisions relative to school business in Iowa are cited. While the report is a review of the procedures for the state of Iowa, a number of procedures are generally applicable to school operations throughout the country. Factors related to local school officials, school elections, school funds, budget and tax levies, records, audits and publications, and state and federal aids are discussed. Procedures are presented for handling school census and pupil accounting, school construction programs, site selection, bond elections, and the overall school insurance program. (FS)

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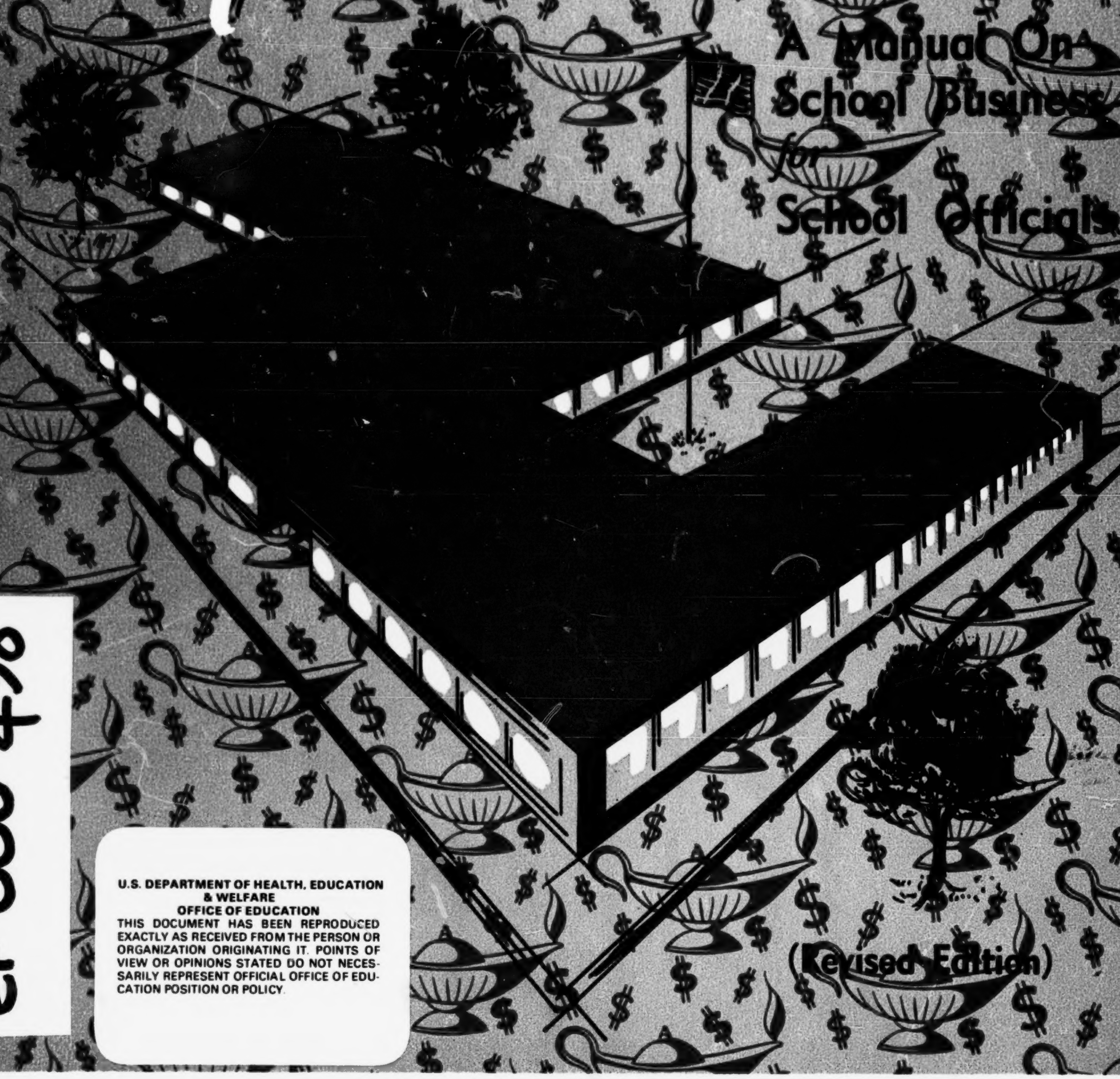
SCHOOL Business

A Manual On School Business for School Officials



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State of Iowa
1965

SCHOOL BUSINESS

A MANUAL
for
SCHOOL OFFICIALS

DEPARTMENT OF PUBLIC INSTRUCTION

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The revised edition of the manual contains much of the content of the original publication. A revision was written by A. B. Grimes and Richard N. Smith in 1963, but was not published. Appreciation is hereby expressed for the counsel and aid given by certain members of the Iowa Chapter of the American Institute of Architects, the Iowa Bureau of Labor, the Iowa Industrial Commission, the Iowa Inspection Bureau, the State Comptroller's Office, and the staff of the Department of Public Instruction.

Very valuable assistance was given by M. Gene Coffey in rewriting portions of the chapter on school insurance.

LEGEND OF CITATIONS

(Chapter 257) refers to an entire chapter of the 1962 Code of Iowa.

(298.1) refers to a section of the 1962 Code of Iowa.

(McDaniel v. Mace 47-510, or 85 N. W. 2nd p. 540) refers to a court decision.

(1936 Report, or AG Report) refers to the Biennial Report of the Attorney General.

(Ltr. OAG) refers to a letter opinion from the office of the Attorney General.

FOREWORD

Education is both a cause and an effect of the changes that take place in society. Nowhere is sowing and reaping so interrelated as in the "stuff poured" into a child's mind in school, in the home, and in the neighborhood. Good people always strive to have an educational program that will be of value to their children. If the schools are right, the nation will be right; and schools must gear themselves not only to meet changes that come, but also to prepare individuals to create changes that will be beneficial to their society. The Foreword used in the original School Business Manual is still apropos:

"The passing years have brought about an evolution of curriculum and instructional methods. These changes, in turn, have demanded new types of school facilities, new concepts of school district adequacy, new techniques of school administration, and more efficient practices of financing and budgeting.

"Schools exist to educate children. The entire area of school administration and business management is, therefore, a means to an end rather than an end in itself. It is easy, however, for today's school official to become burdened by a minutia of administrative details which sometimes seem to interfere with, rather than promote, a sound educational program. The modern educational system needs more than a teacher, a boy, and a log, but the 'bonds, buildings, budgets, and buses' should always support the best possible classroom activities.

"The purpose of this manual is to expedite the work of the busy school official by pointing up facts, laws, rules, regulations, and practices which may save some time and effort in the detailed aspects of school administration and management.

"The information relating to the subjects covered herein will be changing as times and conditions change. New laws will be passed. Better practices will be discovered. This Department will endeavor to keep the school officials of Iowa informed of these changes by a revision of this manual from time to time."

PAUL F. JOHNSTON
State Superintendent of Public Instruction

TABLE OF CONTENTS

CHAPTER Page

I. Local School Officials 1
  - The School Board 1
  - Number of Directors 1
  - Term of Office 1
  - Vacancies 2
  - Compensation 2
  - Joint Exercise of Governmental Powers 2
  - Interchange of Federal, State, and Local Government Employees 3
  - Miscellaneous—Powers and Responsibilities 3
  - The Superintendent of Schools 3
  - The School District Secretary 3
  - The School District Treasurer 4
  - Selected Bibliography 5

II. School Elections 6
  - Time and Types of Elections 6
    - Regular Elections 6
    - Special Elections 6
  - Methods of Voting 6
  - Judges of Election 6
    - One Voting Precinct 6
    - Two or More Voting Precincts 6
    - Subdistrict Elections 6
    - Oath of Judges 7
  - Notice of Election 7
    - Posting of Election Notices 7
  - Nomination Papers 7
  - Voting Precincts 7
  - Place to Vote 8
  - Printed Ballots 8
  - Open Polls 8
  - Who May Vote 8
  - Marking Ballots 8
  - Absentee Ballots 9
  - Challenging Votes 9
  - Assistance in Voting 9
  - Voting Mark 9
  - Spoiled Ballots 9
  - Voting Regulations 9
  - Acts Not Allowed on Election Day 10
  - Canvass of Votes 10
  - Defective Ballots 10
  - Tie Vote 10
  - Certificate of Election 10
  - Director-at-Large 11
  - Registration 11
    - Precincts 11
    - Registrars 11
    - Registration Days 11
  - Contested Elections 11
    - Who May Contest 11
    - Contest Court 11
    - Rejected Votes 11
    - Right to Appeal 11
    - Costs of Contest 11
    - Grounds of Contest 12
  - Propositions To Be Voted by Electors 12
  - Election of Board Members in Newly Reorganized School Districts 12

CHAPTER Page

- III. School Funds 14
  - Schoolhouse Funds 14
    - Receipts 14
    - Expenditures 14
  - Special Courses Fund 14
  - General Fund 14
    - Receipts 14
    - Expenditures 15
  - Clearing Accounts 16
  - Special Activity Fund 16
  - Transfer of Funds 17
  - Transfer from General Fund to Schoolhouse Fund 17
  - Transfer from Schoolhouse Fund to General Fund 17
  - Permanent School Fund 17
    - Semi-Annual Apportionment 18
    - Library Fund 18
  - Depository Banks 18
  - Investment of School Funds 18
    - Schoolhouse Fund 18
    - General Fund 18
- IV. The Budget and Tax Levies 20
  - The Educational Plan 20
  - The Expenditures Plan 20
  - The Financing Plan 20
  - Certifying Board 20
  - Fiscal Year for School Districts 20
  - Requirements of Local School District Budget 21
  - Expenditures Limited by the Budget 21
  - Limitation on General Fund Levy 21
  - Approval for Emergency Increases 21
  - Filing of Budget Estimate; Notice of Hearing 21
  - Budget Estimate Form 21
    - General Fund Amounts Subject to Limitation 21
    - Library 22
    - Pension—Own System 22
    - OASI—Federal 22
    - IPERS—State 22
    - Total General Fund 22
    - Budget Estimate 22
    - Playground (Voted) 23
    - School Sites 23
    - Schoolhouse (Voted) 23
    - Bonds and Interest 23
    - Lease-Purchase Option 23
    - Disposition of General Fund Balance 23
    - Income Other Than Taxation 24
    - Amount Necessary To Be Raised by Taxation 24
  - Adopted Budget and Certificate of School Taxes 24
  - Protest to Budget 24
  - Budget Amendments 24
  - Tax Loss Reimbursement; Tax-Free Lands 24
- V. Records, Audits and Publications 26
  - Minutes of School Board Meetings 26
  - Financial Accounting Records 26
  - Preservation of Records 27
  - School District Audits 27
  - Publication of Quarterly and Annual Financial Statements 27
- VI. State and Federal Aids 29
  - Types of Aids 29

CHAPTER Page

General Aid 29
Time Loss Adjustment 30
Supplemental Aid 30
Transportation Aid 30
Special Education Aid 30
Vocational Education Aid 31
Mining Camp Aid 31
Emergency Aid 31
Driver Education Aid 31
Children from Charitable or State Supported Institutions 31
Tuition When in Foster Home 31
Federal School Lunch Aid 31

VII. School Census and Pupil Attendance Accounting 32

School Census 32
Accounting for Pupil Attendance 33
  Enrollment 33
  School Year 33
  School Day 33
  Day of School in Session 34
  Day of Attendance—Full Day 34
  Day of Attendance—Half Day 34
  Aggregate Days of Attendance 34
  Average Daily Attendance 34
  Membership 34
  Aggregate Days of Membership 34
  Average Daily Membership 34
  Dropout 35

VIII. Residence and Tuition 36

Residence 36
Tuition 36
  Non-Tuition Pupils 37
  Tuition Pupils 37
Who Pays Tuition Costs 38
Opinions and Decisions 38
  Residence 38
  State Employees 38
  School Absence 38
  Land in More Than One District 38
  School Age 39
  Discrimination 39
  Tuition to Non-Public School 39
  School Closed 39
  School Day 39
  Attending School Outside the State 39
  Fees for Summer School Programs 39

IX. School Buildings and School Sites 40

School Sites 40
  Size 40
  Location 40
  Acquiring 41
Bond Elections 41
  For Buildings and Sites 41
  Limitations 42
  Proposition 42
  Procedure 43
  Selling Bonds 44
  Retiring Bonds 44
  Bonding Rates 44
  In Community Districts 45

CHAPTER Page
- Condemnation ... 45
- Options ... 45
- Borrowing Money ... 45
- Renting ... 45
- Long Term Lease ... 46
- Supplementary Bond Data ... 46
- Schoolhouse Tax ... 47
- Gifts ... 48
- One Mill Levy ... 48
- Playgrounds ... 48
- Disposal of School Sites and Other Property ... 48
- Care and Use of School Property ... 50
  - Power of the School Board ... 50
  - Religious Use ... 50
  - Community Use ... 50
  - Trespass–Mischief ... 51
  - Closing of Schools ... 51
- Statutes and Opinions ... 51
- Construction of a School Building ... 51
  - Architects ... 51
  - Contracts ... 52
  - Legal Requirements for Bidding ... 52
  - Recommended Procedure for Letting of Bids ... 52
  - Performance Bond ... 53
  - Labor and Material Bond ... 53
  - Insurance While Building ... 53
  - Payments to Architects and Contractors ... 54
  - Architect–Owner Contract ... 55

X. School Insurance ... 59
- Where to Buy Insurance ... 59
- Insurable Value of Property ... 59
- Insurance Rates ... 60
- Types of Insurance Companies ... 60
  - Stock Company ... 60
  - Mutual Company ... 60
  - Assessment Company ... 61
  - Self-Insurance ... 61
- Types of Insurance Policies ... 61
  - Fire Insurance ... 61
  - Extended Coverage ... 61
  - Flat or Gross Insurance ... 61
  - Blanket Insurance ... 61
  - Coinsurance ... 61
- Boiler Insurance ... 62
- Glass Insurance ... 63
- Floater Insurance ... 63
- Burglary, Robbery, and Theft Insurance ... 63
- Surety Bonds ... 63
- Workmen's Compensation Insurance ... 64
- Liability Insurance ... 65
- Insurance for Pupils and Athletes ... 65
- Automobile, Bus, and Transportation Insurance ... 65
- Group Insurance ... 66
- Medical and Hospital Service Plans ... 66
- Annuity Contracts ... 66
- Pension Systems ... 66
- Maintaining Insurance Records ... 67
- Miscellaneous ... 67

XI. School Calendar ... 68

Chapter I

LOCAL SCHOOL OFFICIALS

The purpose of this chapter is to deal briefly with the election, appointment, and major duties of those people who are ordinarily considered to be local "school officials" in the sense that they are concerned with the administration and business management of the school district. These include the school board members, the superintendent, the secretary, and the treasurer.

The School Board

Historically, local school boards evolved from school committees set up by the New England town meetings after school problems became too complex to be handled by the town meeting itself. Since that time state constitutions, legislative acts, and court decisions have consistently defined education as a state function; this represents the recognition of the principle that the education of all the children is in the best interest of all the people of the state.

Thus the school board is both a local agency and a state agency. The members are elected by the citizens of the local school district. The board which they comprise has extensive local authority subject only to certain broad state educational policies established by the legislature in the common interest of all the people of the state. Examples of such state-established policies or standards are teacher certification regulations, length of school years, school district boundaries, and compulsory attendance age.

The duties and functions of an Iowa school board are far too extensive and varied to be enumerated here. They may range from the approval of plans for a five million dollar school building to policy decisions regarding kindergarten report cards. The most important concept of a good school board is that it is a policy-making body and that a member has no authority except as a part of that body. The law gives broad authority to the board as a whole, but an individual member, outside of an official meeting, has no legal power to act.

There are many excellent references on school board functions, ethics, policies, and relationships. (See bibliography at the end of this chapter.)

Number of Directors

By Iowa statute the number of directors in school districts shall be as follows:

7 directors
- (a) in any district including all or part of a city of 15,000 or more population.
- (b) in any district in which the voters have authorized seven directors.

5 directors
- (a) in all other community or independent city or town districts.
- (b) in consolidated districts.
- (c) in rural and village independent districts having a population **over** 500.

3 directors
- (a) in all other rural and village independent districts having a population of 500 or less.
- (b) in school townships not divided into subdistricts.

1 director

In subdistricts of school townships. The board shall consist of one subdirector from each subdistrict, with a director-at-large in those school townships that are divided into an even number of subdistricts. (277.23)

Term of Office

The terms of office of board members are as follows:

6 years–in community or independent districts containing cities of 125,000 population or more.

3 years–in all community or independent districts and undivided school townships.

1 year–in school townships divided into subdistricts where subdirectors or directors-at-large are required.

In all school districts the term of office shall begin at the organization of the board on the third Monday of September. A director shall hold office until his successor is elected, or appointed, and qualified.

Except for rural township school districts, board members have typically been elected "at large" in Iowa school districts. There is a provision in the law which allows some choice in newly-formed districts as to election "at large" or by one of three other methods involving "director districts." There is also a further provision that any existing district or any district hereafter created or enlarged may change its method of election and raise the number of directors from five to seven by petition and a vote of the electorate. (275.35).

At the time of his election to the board, a school board member must be a qualified voter of the school district. (277.27) To qualify, the newly-elected board member must take the oath of office, on or before the third Monday in September, in substantially the form as prescribed in Section 277.28 of the Code of Iowa. The oath may be administered by any qualified board member, the secretary of the board, or the county superintendent of schools. The oath may also be administered elsewhere than in the presence of the board in session by any officer listed in 78.1 and 78.2.

At the organization meeting on the third Monday in September each year, the board elects a president from its membership, and he is entitled to vote as a member of the board. (279.1)

Vacancies

A vacancy is created on a school board by any one of the following circumstances:

1. Failure to elect at the election or to appoint within the time fixed by law.
2. Failure of the officer elected or appointed to qualify within the time prescribed by law.
3. The incumbent ceasing to be a resident of the district.
4. Resignation or death of the incumbent or of the officer-elect.
5. Removal of incumbent from, or forfeiture of, his office.
6. Decision of a court declaring the office vacant.
7. Conviction of an incumbent of an infamous crime or of any public offense involving the violation of his oath of office. (277.29)

Vacancies occurring on the board are filled by appointment by the board. A person so appointed holds office until the third Monday in September immediately following the next regular election and until his successor is elected and qualified. (279.6) If a vacancy occurs among the school board members, and the remaining board members have not filled the vacancy within ten days, the secretary is required to call a special election. If the secretary fails for more than three days to call the election, the county superintendent is required to call it. This same procedure is followed when the board is reduced below a quorum for any cause. Any person so elected must qualify within ten days after his election. (279.7)

When a vacancy is filled at a regular school election, the election is for the number of years required to complete the term of office and until a successor takes over. (277.30)

Compensation

A board member may not receive a salary or other compensation for his services, and he may not act as agent for any school textbooks or school supplies during his term of office. (279.29, 301.28) Contracts in which a board member has any interest are void as contrary to public policy. Kagy v. Independent School District, 117-694; Town of Hartley v. Floete Lumber Company, 185-861.

● Board members who are partners in an insurance company cannot legally sell insurance to the local board. Ltr. OAG, Nov. 30, 1936.

● A wife of a board member cannot legally be hired as a teacher in the same school system. Ltr. OAG, Feb. 14, 1955.

● A board member may remain on the board if he changes his residence from one county to another providing he remains in the same school district and if he was elected "at large" by the entire district. Ltr. OAG, May 1, 1958.

● A vacancy is created when a board member moves from one director district to another director district in the same corporation. Ltr. OAG, Apr. 6, 1960.

Joint Exercise of Governmental Powers

The 61st General Assembly passed legislation authorizing public agencies to provide joint services and facilities. The law provides that "any power or powers, privileges or authority exercised or capable of exercise by a public agency of this state may be exercised and enjoyed jointly with any other public agency of this state having such power or powers, privilege or authority, and jointly with any public agency of any other state or of the United States to the extent that laws of such other state or of the U.S. permit such joint exercise or enjoyment. Any agency of the state government when acting jointly with any public agency may exercise and enjoy all of the powers, privileges and authority conferred by the Act upon a public agency." Such joint services must be authorized by the board of education. (H.F. 188, Acts of 61st G.A.)

Interchange of Federal, State and Local Government Employees

The 61st General Assembly also passed legislation authorizing the interchange of personnel between and among governmental agencies at the same or different levels of government. The period of individual assignment or detail under such an interchange program shall not exceed twelve months. Those on interchange remain as employees of the sending agency. (For complete details on this act see Senate File 554, Act of the 61st G.A.)

Miscellaneous—Powers and Responsibilities

- A school board has no authority to retain a student's report card to coerce payment of school fees when the student has completed scholastic requirements. Ltr. OAG, March 12, 1965.

- Offices of mayor and member of the community school board are incompatible, and election as a member of community school board after election as mayor creates a vacancy in the office of mayor. Ltr. OAG, April 16, 1964.

The Superintendent of Schools

Iowa law provides that the school board of a typical high school district may employ a superintendent of schools for one year. After serving at least seven months he may be re-employed for a term of not to exceed three years. (279.14) The organization meeting of the board is on the third Monday of September each year.

In addition to the authority to employ a superintendent of schools as cited above, the Iowa Code makes the following references to that particular position:

1. The superintendent shall be the executive officer of the board and shall have such powers and duties as prescribed by rules of the board or by law. (279.14)

2. He shall use those forms and procedures prescribed by the state superintendent of public instruction in making required reports. (This also applies to all other school officials.) (257.18, subsection 11)

3. He shall issue work permits for children employed while between the ages of fourteen and sixteen and shall cooperate in the enforcement of the child labor laws. (Work permit blanks may be obtained from the department of public instruction.) (92.6, 92.16)

4. If an evening school is maintained as a branch of a city or town school system, it shall be under the supervision of the superintendent. (288.3)

5. A school district may become indebted for the purpose of purchasing or building and furnishing a superintendent's home. (296.1, 275.32)

6. It is unlawful for any school district to rebate tuition or grant any special privileges to certain pupils, and any superintendent responsible for such unlawful act is personally liable to a fine of not to exceed one hundred dollars. (282.20)

7. The superintendent is entitled to receive copies of the school law book and pamphlets indicating the changes made by each session of the General Assembly. (257.18, subsection 22, 257.18, subsection 23)

8. Before purchasing textbooks and supplies, the school board may consult with the superintendent. (301.8)

9. The board may confer upon any teacher, principal, or superintendent the power **temporarily** to dismiss a scholar and to readmit him. (282.4 - 282.5)

No one can deny that the superintendency of a local school district is a responsible professional position. It is obvious from the limited recognition in the law, however, that the responsibility of the position has developed in spite of, rather than because of, its treatment in the Code of Iowa.

The evolution of public school administration in Iowa has apparently been founded primarily on the legal basis of that one section of the Code which provides that the superintendent shall ". . . be the executive officer of the board and have such powers and duties as may be prescribed by rules adopted by the board . . ." (279.14)

The School District Secretary

At its meeting on the first secular day after the seventh day in July each year the school board appoints a secretary for a term of one year. The secretary may not be a member of the school board and he may not be a teacher or other employee of the board. He must qualify by taking the oath of office (see section 277.28) and posting bond within ten days. (279.3) The bond may be either individual or commercial, and in such amount as the board may require, but in no case less than five hundred dollars.

(291.2) The cost of a commercial bond may be paid from the General Fund.

The secretary must be a qualified voter of the district at the time of his appointment, and removal from the district creates a vacancy in the office. (277.-27, 277.29)

The salary of the secretary is fixed by the school board which appoints him. (279.29)

The major duties of the secretary are as follows:

1. File and retain copies of all reports to the county superintendent, and all papers transmitted to him which pertain to the business of the school district. (291.6, subsection 1)

2. Keep complete minutes of all school board meetings and keep records on all regular and special school elections. (291.6, subsection 2)

3. Keep an accurate, separate account of each school fund with the treasurer, charge him with all warrants and drafts drawn in his favor, and credit him with all orders drawn on each fund. (291.6, subsection 3)

4. Keep an accurate account of all bills and present them to the board for audit and approval for payment. (291.6, subsection 4)

5. Keep the pollbook at all school elections, record the name of each person voting, the number of votes cast for each candidate, and for and against each proposition. (291.6, subsection 5)

6. Make and file with the board monthly financial statements, showing receipts, disbursements, and the remaining balance in each fund. (291.7)

7. Countersign all warrants and drafts upon the county treasurer drawn or signed by the president. Draw warrants for claims allowed by the board, countersign, and keep a record of them, showing fund upon which the warrant is drawn, the date, name of payee, purpose, and the amount. (291.8) (Department of Public Instruction, "Uniform Financial Accounting for Iowa Schools")

8. Take the school census between June first and July first of each even-numbered year. (291.9)

9. File required reports with the county superintendent. (291.10)

10. Report to the county superintendent, county auditor, and county treasurer the name of the president, the secretary, and the treasurer of the school board as soon as practicable after each such officer has qualified. (291.11)

11. Request reports from private schools regarding the attendance of pupils between the ages of seven and sixteen. (299.3)

12. Request reports regarding private instruction of pupils between the ages of seven and sixteen. (299.4)

13. Have custody of all records pertaining to compulsory school attendance. (299.7)

14. Receive reports and notify the president of the board regarding any violation of the truancy law. (299.15)

15. Prepare and publish the annual and quarterly financial statements for the district. (279.32-279.34)

16. Mail itemized statements to the secretary of debtor districts on or before February 15 and June 15 of each year. (282.20)

The secretary is an officer of the board and is subject to such other duties as the board may prescribe, such as keeping permanent record cards of the district; but the assignment should not violate the statute prohibiting his being a teacher or other employee of the board.

○ The same person cannot act as secretary to the board of directors of a school district as well as secretary to the superintendent of schools of the same school district. Ltr. OAG, Oct. 16, 1962.

● The secretary of the board of directors is an "officer" whether he is serving in a community district or any other type of school district. Ltr. OAG, Sept. 24, 1956.

The School District Treasurer

In districts composed in whole or in part of cities or towns, a treasurer shall be chosen at the regular election for a two-year term, and his term begins on the first secular day of July following his election. (Cities and towns include all municipal corporations. Town sites platted and unincorporated are known as villages.) He must be a qualified voter of the district at the time of his election or appointment. Removal from the district creates a vacancy in the office. (277.-27-277.29)

In all other school districts the treasurer is appointed for a one-year term at the board meeting on the first secular day after the seventh of July. He shall qualify within ten days following his appointment.

The treasurer serves without pay, except that in school townships, rural or village independent districts, and in consolidated districts that contain a city or town having a population less than one thousand, the board may pay him a "reasonable compensation." (277.26, 279.29)

He shall qualify by taking the oath of office and filing bond, which may be either individual or commercial. The amount of the bond is set by the school board but it may not be less than five hundred dollars. The cost of a commercial bond may be paid from the General Fund. (279.3, 291.2, 291.3, 291.4)

The major duties of the school district treasurer are as follows:

1. Receive all moneys belonging to the school district. (291.12)
2. Pay warrants signed by the president and countersigned by the secretary of the school board. (291.12)
3. Keep an accurate record of all receipts and expenditures of school funds. (291.12)
4. Register all orders drawn and reported to him by the secretary, showing the number, date, to whom drawn, fund upon which it is drawn, the purpose and amount. (291.12)
5. Keep an accurate separate account of the General Fund and the Schoolhouse Fund. (291.13, 286A.7)
6. Render a financial statement whenever required by the board and keep books open for inspection at all times. (291.14)
7. Make an annual report to the board at its regular July meeting and file a copy with the county superintendent. (291.15)
8. Deposit school funds in the bank designated by the board as the official depository and file with the county treasurer and the treasurer of state a list of such depositories with any changes authorized by the board. (453.1, 453.3, 454.6)
9. Stamp warrants "not paid for want of funds," keep a record of warrants so issued, and call for payment when funds are available. (Chapter 74)
10. Redeem bonds when funds on hand are sufficent. (298.23)
11. Keep a record of bond buyers and their post office addresses. (298.24)
12. Furnish to the board a sworn statement from each depository bank, showing balance as of June 30. (279.30)
13. Receive and have custody of forfeitures imposed on school officers. (277.32)
14. Receive apportionment of school funds and monthly payment of taxes from the county treasurer. (298.11, 298.13)
15. Receive and disburse playground fund. (300.4)
16. Report to the school secretary violations of the truancy law of which he has knowledge. (299.15)

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Chapter II

SCHOOL ELECTIONS

School elections are held for the purpose of permitting qualified voters of the district or subdistrict to vote on the election of board members and on other matters as legally submitted to them. Unless otherwise specifically provided by statute, school elections should be conducted in the same manner as general elections.

Time and Types of Elections

Regular Elections

Regular elections shall be held annually on the second Monday in September except in any community or independent district embracing a city and having a **district population** of one hundred twenty-five thousand or more, in which case the election shall be held biennially on the second Monday in September of odd-numbered years. (277.1)

Special Elections

Special elections are limited to matters enumerated or implied in the statutes. These include: (1) the sale of school property and the use of the proceeds, (2) the authorization of a schoolhouse tax or indebtedness for the purchase of a site and the construction of a schoolhouse, (3) obtaining roads to a site and school building, (4) the authorization of seven members on the board of directors, (5) the authorization to establish or change the boundaries of director districts. Special elections may be called by a board of directors at any time. (277.2)

● A new community school district cannot legally call an election authorizing bonded indebtedness until after the first regular school election. Ltr. OAG, August 22, 1955.

Methods of Voting

The method of voting in all school elections shall be by ballot or by voting machines. (277.13)

Rural independent districts and rural subdistricts are not required to have nominations or printed ballots.

The school board shall provide each voting precinct with a ballot box or voting machine and pollbooks. (277.14)

Voting machines may be used where they were used in the general election and shall be provided free by the state or county. The use of such machines shall be, as far as possible, the same as in general elections. The arrangement of names and propositions shall be as defined by the law. (277.15)

Judges of Election

One Voting Precinct

In districts of one voting precinct the judges of election shall consist of the president, the secretary of the board and one of the directors. If any judge is absent or refuses to serve, the voters at the polls shall appoint one of their members. (277.10)

Two or More Voting Precincts

The board appoints three voters of the precinct as judges of election and one voter as clerk. A voter can act as judge of but one voting precinct. If a judge fails to act or is absent, the attending judges shall select a voter present to fill the vacancy. If all the judges fail to be present or qualify their vacancies shall be filled by the voters in attendance. (277.10)

Subdistrict Elections

The subdirector, and two qualified voters selected by the voters present at the polling place, shall constitute the judges of election. If any one of these is absent or refuses to act, the voters present shall select a qualified judge to take his place. (277.10)

Oath of Judges

All judges and clerks of election must take the following oath before the polls are open: "I .... do solemnly swear that I will impartially, and to the best of my knowledge and ability, perform the duties of judge (or clerk) of this election, and will studiously endeavor to prevent fraud, deceit, and abuse in conducting the same." (49.75) Any clerk or judge present may administer the oath to the others, and it shall be entered in the pollbooks subscribed by the person taking it, and certified by the officer administering it. (49.76)

Notice of Election

Notices of all regular or special elections must be written and must comply with these laws:

1. Notice must be given not less than ten days next preceding the day of the election, except as otherwise provided.
2. Notice shall contain the date, polling place, the hours which the polls will be open, the number of directors or officers to be elected and the terms to serve.
3. Notice must state the proposition to be submitted and voted upon by the voters. (277.3)

Posting of Election Notices

Notice of election shall be posted by the secretary of the board in five public places in districts where registration is not required and where there is only one voting precinct. (277.3)

In districts where registration is required and where there are two or more voting precincts, the secretary shall have the notice published each week for two consecutive weeks preceding the election in some newspaper published in the county and of general circulation in the district. (277.3)

In subdistricts the subdirectors shall post the notice of election on the front of the school building and in two other public places within the school district.

If there is no subdirector in the district, or if he fails to act and the notice is not posted ten days previous to the election, then any voter in the district may get the required forms from the county superintendent, fill them out properly, sign them along with the signature of the county superintendent, and post them in the three required places, not less than five days next preceding the day of the election. (277.3)

● In the event of failure to post the proper notices by the proper parties in the subdistrict, the county superintendent of schools should post the notices, signing the names of the secretary and the board by himself as county superintendent of schools. Ltr. OAG, Feb, 23, 1926.

● If an election is held and the polls remain open for the time prescribed in the statute, the election will not be void, even though the notice prescribes that the polls shall be open for a shorter period of time than prescribed in the statute, and any bonds issued under the authorization voted by the electors of the school district will be voted and binding. Ltr. OAG, April 12, 1927.

Nomination Papers

1. Nomination papers are required for all candidates for election in each community or independent city, town, or consolidated school district. (277.4)
2. Papers must be filed with the secretary of the school board not earlier than thirty days nor later than noon on the tenth day prior to election. The code reads, ". . . not earlier than thirty days nor later than noon of the tenth day prior to said election." See Chapter 4, Section 23, concerning legal holidays and the computing of time.

   Suppose the regular school election is September 14th. The tenth day prior would be September 4th, and noon of that day is the last day and hour for filing nomination papers.
3. A candidate must be nominated by a petition signed by at least ten qualified voters of the district, except in city, community or independent districts where regular elections are held biennially, the petition must bear the names of at least fifty qualified voters of the district.
4. Each petition must include an affidavit of a qualified elector of the district, stating that all signers of the petition are qualified and that their signatures are their own. (277.4)

Voting Precincts

1. In subdistrict elections the subdistrict is considered a single voting precinct. (277.5)
2. School districts other than city, town, village independent, or community districts shall constitute a voting precinct. (277.5)
3. In districts where part or all of the district lies within a city, town, or village, the voting precincts shall be the same as for the last general state election; however, the board may consoli-

date two or more precincts into one for voting purposes unless the voters in such proposed consolidated precincts file with the secretary of the board a petition signed by twenty-five or more electors of a precinct requesting their precinct not to be consolidated with any other precinct. This petition must be filed twenty days before the election, and contain an affidavit of a qualified elector stating that the signers are electors of the district, and the signatures are genuine. (277.5)

4. If a school district includes a city, or town along with some territory not within the city or town limits, the board may divide the outside territory into additional precincts, or may attach the outside territory to contiguous city precincts, whichever will best serve the convenience of the outside electors. No registration is required by the voters in this outside territory. (277.6)

Place to Vote

In subdistricts the subdirector shall select the polling place. If there is no subdirector or he fails to act then the person authorized under 277.3 shall select the polling place.

In all other school districts the school board shall select a suitable polling place in each precinct. This should be the same as the place used by the last city or state election, if practicable. (277.7)

Printed Ballots

Printed ballots are not required in rural school elections.

In school districts where nominations of candidates for election to office is required, ballots must be printed, and the names of all candidates for each office must be listed alphabetically, with a blank line for each officer to be elected. (This may be used for write-in candidates.) The ballot must include a square at the left of each name and blank line, and directions as to the number of candidates to be voted. (277.8)

Open Polls

1. In districts where registration of voters is required, the polls shall be open from seven o'clock a.m. to seven o'clock p.m.
2. In districts where the board has combined voting precincts, the board may order the polls to be open from seven o'clock a.m. to seven o'clock p.m.
3. In districts where registration is not required, composed in whole or in part of cities or towns, and in consolidated school districts, the polls shall be open from twelve o'clock noon to seven o'clock p.m.
4. In all other independent school districts and school townships the polls shall be opened at one o'clock p.m. and remain open not less than two hours.
5. In subdistricts the polls shall open not earlier than nine o'clock a.m. nor later than seven o'clock p.m. and shall remain open not less than two hours. (277.9)

All persons entiled to vote who are within the polling place at the time said polls are closed shall be permitted to vote. (49.74)

Who May Vote

The following statutes and decisions apply to the right to vote in a school election:

1. Naturalized or native-born citizens of the United States have a right to vote if they are twenty-one years of age or over and have resided in Iowa six months, in the county of their residence sixty days, and in the school district and precinct or subdistrict ten days prior to the election. (277.12)
2. In school districts composed of areas in two or more counties an elector can vote, despite the sixty-day county requirement, if he has resided in the school district sixty days next preceding the election. (277.12)
3. "Adult unmarried school teachers become residents of the county in which they teach, within the meaning of the constitutional provision governing suffrage, when the employment is entered upon with the good faith-intention of making the place of employment their permanent home or residence so long as the employment continues." Dodd v. Lorenz, 210-513.
4. Any person residing in the district, who intends that this shall be his voting residence, shall be entitled to vote. No one can judge what this intention is but it is to be drawn by the acts of the party. The general rule is that a person who is present in the community and who has or expresses no intention to remove therefrom is entitled to voted. Ltr. OAG, April 1, 1929.

Marking Ballot

Section 49.83 requires that when a voter appears at the polls in person to cast his ballot, the clerk of election shall write his name in the pollbook.

When a voter presents himself at the polls and his name is entered in the pollbook, one of the judges shall hand him an initialed ballot. No ballot shall be deposited in the ballot box unless it has a judge's endorsement. (49.82)

The voter should retire to the booth, secretly mark his ballot, fold it to conceal his vote and hand it to the judge of the election. (49.84)

The judge inserts it in the ballot box without unfolding it. (49.85)

Absentee Ballots

The voter must be present in person to vote at a school election in a subdistrict, school township, or rural or village district. The absent voter's law applies only to school election in community or independent town, city, or consolidated school districts. (53.1) (277.34)

Application for absentee ballots may be made in person or in writing. If the voter requests the application by card or letter addressed to the auditor, the auditor must send both the application and ballot to the voter at the same time. (53.2, amended 61st G.A.) (53.10, amended 61st G. A.) (For details on the absent voter's law see Chapter 53, Iowa Code)

The application for absentee ballot may not be returned by an agent prior to election day. Ltr. OAG, Feb. 11, 1958.

Challenging Votes

Voters at school elections may be challenged as unqualified by any judge or elector. It is the duty of judges to challenge any person wanting to vote if they think or know the voter is not duly qualified. No judge shall receive a ballot from a challenged voter until such voter shall have established his right to vote. (49.79)

"When any person is challenged, the judges shall explain to him the qualifications of an elector, and may examine him under oath touching his qualifications as a voter." (49.80)

"If the person challenged be duly registered, or if such person is offering to vote in a precinct where registration is not required, and insists that he is qualified, and the challenge be not withdrawn, one of the judges shall tender to him the following oath:

> 'You do solemnly swear that you are a citizen of the United States, that you are a resident in good faith of this precinct, that you are twenty-one years of age as you verily believe, that you have been a resident of this county sixty days, and of this state six months next preceding this election, and that you have not voted at this election.'

"If said person takes such an oath, his vote shall be received." (49.81)

● Any elector has a right to raise the question as to the right of another to vote, in which event, it is clearly the duty of the board to determine the question. Ltr. OAG, January 17, 1924. (49.79)

● Any group of voters interested in the election might have a representative present at the polls, either for the purpose of making a list of those who vote or checking voters from a list already prepared. The same person could act as a challenger. Ltr. OAG, February 4, 1924.

Assistance in Voting

If a voter cannot read English or is physically disabled so that he is unable to mark his ballot, he may, upon request, be assisted by two officers who were selected by the judges at or before the opening of the polls. This assistance shall be entered in the pollbook. (49.89, 49.90, 49.91)

Voting Mark

The voting mark upon any question submitted by ballot shall be a mark (X) or a check (✓) in the circle at the head of the ticket, or in the squares opposite the names of the candidates or proposition submitted.

A law was passed by the 60th General Assembly validating a check mark as well as a cross in the proper circle or square. The words "or check" are inserted after "cross" in Chapter Forty-nine, sections 44, 46, 47, 92, 94, 95, 96, 97, 98 and 99.

Spoiled Ballots

If a voter has spoiled his ballot he may return it to the judges, and receive another, but no voter shall receive more than three ballots. Only legal ballots properly marked shall be counted. (49.100)

● Spoiled ballots are not votes and should not be included in the total number of votes cast. Ltr. OAG, June 11, 1941. Such ballots cannot be counted in determining whether or not a bond election has carried by sixty per cent of the votes cast.

Voting Regulations

1. If a voter receives a ballot but decides not to vote, he must give his ballot to election officers and his action shall be entered on the pollbook. If he fails

to surrender his ballot he is subject to immediate arrest. (49.86)

2. No voter shall vote or offer to vote any ballot except such as he receives from the judges of election.

   No voter shall remove a ballot from the polling place before the polls close. (49.87)
3. No voter may occupy a voting booth occupied by another.
4. A voter shall not remain in the polling space more than ten minutes or in the voting booth more than five minutes.
5. No voter shall again enter the enclosed space after having voted.
6. Except by the authority of the election officials, not more than two voters in excess of the whole number of voting booths shall be allowed at any one time in the enclosed space. (49.88)
7. If more than one public measure is to be voted upon, they shall be printed upon the same ballot, one below the other, with one inch space between the measures (49.48)
8. Public measure propositions shall be printed upon yellow colored paper, and on the back of this ballot shall be words printed to denote that the ballot relates to some public measure. This is to distinguish it from the official ballot for candidates.
9. When a public measure is to be presented, it shall be printed in full upon a separate ballot preceded by these words, "Shall the following amendment to the constitution (or public measure) be adopted?"

   Yes ☐
   No ☐ (Here the public measure should be inserted in full) (49.43, 49.44, 49.45)

Acts Not Allowed on Election Day

Under penalty certain acts are prohibited in or near a polling place on election day. Such acts include:

1. Loitering, congregating, electioneering, treating voters, or soliciting votes within one hundred feet of any outside door of the polling place.

2. Interrupting, hindering, or opposing any voter in or approaching the polling place for the purpose of voting.

3. A voter allowing any person to see how his ballot is marked.

4. A false statement by a voter as to his ability to mark his ballot.

5. Interfering with a voter marking his ballot or inside the enclosed space.

6. Trying to induce a voter to show how he marks, or has marked his ballot.

7. Marking any ballot for the purpose of identifying such ballot. (49.107)

Canvass of Votes

The judges of election must, **before adjournment:**

1. Count the votes.

2. Ascertain the result of the vote.

3. Check the number of votes cast with the number of names on the pollbook and correct all errors.

4. Cause each clerk to keep a tally of the count. (50.1)

Defective Ballots

Defective ballots shall be endorsed "Defective" on the back of each ballot. Two or more marked ballots folded together and cast as one ballot shall be endorsed "Rejected as double" by the judges and shall not be counted. (50.3)

Tie Vote

In the case of tie votes, election shall be determined by lot as described in section 50.44, Code of Iowa. (277.21)

Certificate of Election

The results of the election shall be declared and a certificate of election issued to the person or persons elected to the office. The secretary in all school corporations makes a permanent record of the vote on each office and on each proposition submitted to the electors. (277.19)

In school corporations of more than one precinct, and in school townships having an even number of subdistricts, the board shall, on the next Monday after election, canvass the returns made to the secretary, ascertain the results of the election, cause a record to be made, and at once issue a certificate to each person elected. (277.20)

● All qualifications being met, a person elected to a school board is entitled to a certificate of election, even though he or his company has been, or is doing business with the school. However, after he is qualified, he or his company may not under the law enter into a contract with said school district, and this statute should be fully observed by the board. Ltr. OAG, March 19, 1927.

● Where officers fail to qualify the county superintendent may consider the office vacant and call an election. Ltr. OAG, April 8, 1929.

Director-at-Large

A director-at-large must be elected in school townships that are divided into an even number of subdistricts. (277.19, 277.20)

Registration

Precincts

In districts where registration is required, except where permanent registration is provided by statute, the board may consolidate registration precincts as provided by law for general election registration. (277.16)

Registrars

Where registration is required of school corporations the board of directors shall:

1. Appoint two registrars (not less than ten days before the election) in each registration district. These registrars shall have the same qualifications, and get the same pay as for general elections. They shall be paid by the school corporation.
2. Registration books, records and pollbooks shall be obtained from the same person who has custody of such for general elections, and he shall distribute them to the several precincts the same as he does for general elections. These must be returned to him within ten days after the school election. (277.17)

Registration Days

The registrars meet and remain in session only during the time the polls are open. All laws pertaining to registration in general elections shall prevail except that the president and secretary of the school board shall perform the duties of the mayor and city clerk. (277.18)

A qualified voter is one who is qualified to vote pursuant to the statutes of Iowa, and whether he has registered or not is immaterial. Ltr. OAG, February 20, 1934. Of course, this does not mean that an elector may vote before he registers. Registration is simply a prescribed regulation for a qualified voter to follow in order to vote.

Contested Elections

School elections may be contested under the same laws that relate to contesting of county officials. (277.22, 57.6, Chapter 57.)

Who May Contest

Contest proceedings can be instituted only by a person who is eligible for that office and who was a candidate for that office. (57.1)

If an eligible person wishes to contest an election he must:

File with the county auditor within twenty days after the day when the incumbent was declared elected, a written statement of his intentions to contest the election. The statement must also set forth:

1. The name of the contestant.
2. That the contestant is qualified to hold the office.
3. The name of the incumbent.
4. The office contested.
5. The time of the election.
6. The particular causes of the contest.

This statement must be verified by the affidavit of the contestant or some elector of the county. (62.5).

The contestant must file with the county auditor a bond with security, to be approved by said auditor and conditioned to pay all costs in case the election be confirmed, or the statement dismissed, or the prosecution fail. (62.6)

Contest Court

The chairman of the county board of supervisors and one member selected by the contestant and one by the incumbent shall constitute the contest court. (62.1)

The contest court has the power to require any person called as a witness, who voted at such election, to answer questions as to his qualifications as a voter. If he was not qualified to vote in the district, he must state where he voted and for whom he voted at the election being contested. (62.17)

Rejected Votes

An election will not be set aside unless the rejected votes are sufficient in number to change the result of election. (57.4)

Right to Appeal

The losing party in the contest court may within twenty days thereafter appeal to the district court by filing bond to cover the costs of appeal. (62.20)

Costs of Contest

The three judges of the contest court are entitled to receive four dollars per day for the time occupied by the trial. (62.23)

The fees of officers and witnesses shall be the same as in the district court so far as the nature of the case admits. (62.22)

The person who loses the contest is obligated to pay the costs of the contest. (62.24)

Grounds of Contest

The grounds for contesting school elections are the same as for the election of county officials. They are as follows:

1. Misconduct, fraud, or corruption on the part of judges of election, or board of convassers or any member of either board, sufficient to change the result of election.
2. Ineligibility of incumbent to the office at the time of election.
3. The incumbent has been duly convicted of an infamous crime before the election and the judgment has not been changed at the time of election.
4. The incumbent has given or offered bribes for the purpose of winning his election.
5. Legal votes were rejected at the polls, or illegal votes were cast sufficient to change the result of election.
6. Errors in counting votes, or in declaring the election results if the errors would affect the result.
7. Any other cause which shows that another person was the person duly elected. (57.1)

Propositions to be Voted by Electors

Chapter 278 of the Iowa Code enumerates the powers of electors at regular school elections. (278.1)

1. Direct a change of textbooks regularly adopted.
2. Direct the sale, lease or other disposition of school property except as determined by Section 297.22.
3. Decide what additional subjects shall be taught.
4. Determine whether or not school buildings may be used for meetings of public interest.
5. Direct the transfer of any surplus in the Schoolhouse Fund to the General Fund.
6. Authorize the board to obtain roads for proper access to its school buildings.
7. Vote a schoolhouse tax, not exceeding 2½ mills, for buildings and sites, procuring libraries, and opening roads to schoolhouses.
8. Authorize the establishment and maintenance of schools ranking higher than the approved four-year high school course.
9. Authorize a change from five to seven directors.
10. Authorize the establishment of director districts or a change of boundaries of director districts. (278.1)
11. Authorize extended time contracts not to exceed twenty years in duration for the rental of buildings to supplement existing schoolhouse facilities. Such contracts may include lease-purchase option agreements when it is deemed advisable for buildings to be constructed or placed on real estate owned by the school district. Approval of sixty per cent of the voters is required. The schoolhouse tax voted to provide for such lease-purchase option agreement may not exceed five mills.

Electors in any school district may vote at a regular election or a special election:

- To sell school property and application of the proceeds except as determined by 297.22.
- Authorization of seven members on the board of directors.
- Authorization to change the boundaries of director districts.
- Authorization of a schoolhouse tax or indebtedness, for the purchase of a site, construction of a necessary schoolhouse, and obtaining roads thereto. (277.2)

(See chapter on "School Buildings and School Sites" for information on bond elections.)

Election of Board Members in Newly Reorganized School Districts

The election of the first school board in a reorganized district is called by the county superintendent. In conformity with the reorganization petition and the approval of the county board of education, these members may be elected by any of four different methods:

1. Election at large from the entire district by the electors of the entire district. (275.12 (2a)
2. Dividing the entire district into five or seven designated geographical subdistricts, and electing a director from each subdistrict, such director to be a resident of the subdistrict but to be elected by the vote of electors from the entire district. (275.12 (2b)
3. Electing not more than one-half of the total number of school directors at large from the entire district and the remaining directors from and as residents of designated director districts into which the entire school district shall be divided. In such case all directors shall be elected by the electors of the entire school district. 275.12 (2c)

4. Dividing the entire district into five or seven designated geographical subdistricts to be known as director districts. The voters of each director district elect a resident of their district to the board of directors. (275.12 (2d)

There is also a further provision whereby any existing district or any district hereafter created or enlarged may change its method of election by petition and a vote of the electorate. (275.35)

When the organization, reorganization, enlarging, or changing of the boundaries of any school district is voted, or when an area of less than four sections is attached to a school district, or when the boundaries of contiguous school districts are changed, the county superintendent or secretary of said school district shall file a written description of the new boundaries in the office of the county auditor of each county in which any portion of the school district lies.

A high school district may participate in more than one merger per year as described in Section 275.40.

● If there is no polling place in a director district, one may be established outside the director district but within the school district. Ltr. OAG, Feb. 20, 1959.

● A board member may remain on the board if he changes his residence from one county to another provided he remains in the same school district and if he was elected at large by the entire district. Ltr. OAG, May 1, 1958.

Chapter III

SCHOOL FUNDS

The funding system for Iowa public school districts provides for two separate funds: Schoolhouse Fund and General Fund. All receipts and expenditures of public moneys should be accounted for under these two funds.

Schoolhouse Fund

Receipts

School district receipts from the following sources should be deposited in the Schoolhouse Fund:

1. Proceeds of a schoolhouse tax authorized by the electors. (275.32, 278.1 subsection 7, 291.13)
2. Proceeds of the sale of bonds authorized by law. (275.32, 291.13)
3. Proceeds of a tax levied to pay principal and interest on bonded indebtedness. (291.13. 298.18)
4. Proceeds of a tax levied for the purchase of sites. Authority to certify such a levy, not exceeding one mill, rests with the board of directors only in a high school district which has a total enrollment of six hundred or more and which maintains a kindergarten through grade twelve program. (297.5, amended 61st G.A.)
5. Proceeds of a tax levied for the establishment and maintenance of playgrounds. (This tax, not to exceed one-half mill, may be levied by the board of directors of any district containing a city, upon authorization of the voters.) (300.2, 300.3, 291.13)
6. Proceeds from the sale of a schoolhouse or site, unless the voters have directed that such proceeds shall revert to the General Fund. (278.1, subsection 2)
7. Proceeds from the sale of other property, providing the voters have directed that such proceeds shall revert to the Schoolhouse Fund. (278.1, subsection 2)
8. Proceeds of insurance on buildings. Ltr. OAG, March 26, 1924.
9. Sales tax refund on construction.
10. Federal monies received for construction under the Federally Impacted Area Act (Public Law 815).
11. Federal monies received for construction under the Vocational Education Act of 1963 (Public Law 88-210).
12. Federal monies received for construction under the Elementary and Secondary Education Act of 1965 (Public Law 89-10).

Expenditures

Expenditures from the Schoolhouse Fund include the following:

1. Payments to contractors and architects for construction, repairs, improvements, or remodeling. (If a bond issue for new construction carries, the architect's fees should be paid from the Schoolhouse Fund. If the bond issue does not carry, any architect's fees already incurred should be paid from the General Fund.) Ltr. OAG Oct. 14, 1954.
2. Purchase of sites. (296.1)
3. Improvement of sites. (296.1)
4. Principal and interest due on lawful bonded indebtedness. (298.18)
5. Payment for a contractual agreement for rental or lease-purchase of a building. (278.1 amended 61st G.A.)

Special Courses Fund

The section of the Iowa Code which provided for a Special Courses Fund was amended by the 61st G. A. There is no longer any provision for a Special Courses Fund in Iowa.

General Fund

The General Fund is intended to take care of all moneys received for any purpose other than those listed above under Schoolhouse Fund.

Receipts

General Fund receipts are further divided for accounting purposes into:

1. Revenue receipts—those coming either directly or indirectly from taxation and which neither increase indebtedness nor deplete school property, and
2. Nonrevenue receipts—those which increase indebtedness of the district or deplete the assets in some form.
3. Transfers—money which is taken from one fund under the control of the board of education and added to another fund under the board's control. Transfers also include amounts received from other school districts for services rendered, or as a result of reorganization.

Following is an outline of the major sources of receipts for the General Fund:

I. Revenue Receipts
  A. Local Taxes
    1. District Tax (298.1)
    2. Emergency Levy (298.2)
    3. Moneys and Credit Tax Replacement Fund (429.2)
    4. Pension Fund Tax (97B.9, 97C.10, 294.9)
    5. Tax Loss Reimbursement (Chapter 284)
  B. State Appropriations
    1. General Aid (Chapter 286A)
    2. Supplemental Aid (Chapter 286)
    3. Transportation Aid (Chapter 285)
    4. Handicapped Children Aid (281.9)
    5. Vocational Aid (State) (258.8)
    6. Driver Education Aid
  C. Semi-Annual Apportionment (298.11)
  D. Federal Appropriations
    1. School Lunch (unless handled in a separate account and not in the General Fund)
    2. Vocational Aid (Federal)
    3. Maintenance and Operation (Public Law 874)
    4. National Defense Education Act
    5. Elementary Secondary Education Act
    6. Economic Opportunity Act
  E. Tuition—from individuals
  F. Transportation—from individuals
  G. Rents and Donations
  H. Clearing Accounts

II. Nonrevenue Receipts
  A. Sales of Supplies, Property, and Equipment (Receipts from sale of real property should be deposited in the Schoolhouse Fund unless otherwise directed by the voters as provided in Section 278.1, subsection 2)

III. Transfers
  A. Tuition
    1. High School and Junior High School (282.17 - 282.24)
    2. Elementary (279.18)
  B. Transportation
  C. Reorganization

Expenditures

Expenditures from the General Fund cover those items which are normally considered to be "operating costs." Following is a brief summary of the General Fund expenditure classifications as provided in *Uniform Financial Accounting for Iowa Schools*:

1. **Administration**

This includes all general administrative costs that are system-wide. Costs such as salaries of superintendents, assistant superintendents, secretary, business manager, office personnel, office supplies, election expense, census expense, publication costs, legal fees, and travel expense for administrators and board members are included here.

2. **Instruction**

This classification consists of those activities dealing directly with or aiding in the teaching of students or improving the quality of teaching. The activities of the teacher, principal, consultant or supervisors of instruction are included to the extent that they provide instruction or supervision of those areas of the school program which are included in the basic curriculum. Expenditures for all instructional supplies, textbooks and library books, testing materials, and audio-visual aids are also included under instruction.

3. **Other Educational Costs**

Those activities which have as their primary purpose the promotion and improvement of children's attendance at school through the enforcement of compulsory attendance laws are included in this classification. Salaries of certified and non-certified attendance, personnel attendance, supplies and expenses, services and salaries for physical and mental health, and salaries, supplies and expenses for transportation services are included here.

4. **Fixed Charges**

This account includes those expenses which are recurrent in nature and which are not readily allocable to other expenditure accounts. These expenses are fairly uniform from year to year, such as insurance premiums, rent, surety bond premiums, and the district's share of the local, state, and federal retirement payments. (When a remittance is made to a retirement system, that portion representing the amount withheld from salaries should be charged to the appropriate salary account; the district's share of the payment should be charged to Fixed Charges.)

5. **Operation and Maintenance of Plant**

   This classification provides for those activities concerned with keeping the physical plant open and ready for use. It includes cleaning, disinfecting, heating, lighting, communication, power, moving furniture, handling stores, caring for grounds, replacement of equipment, and repair of facilities.

6. **Other School Services**

   This classification covers those accounts which may be financed entirely by revenue produced through the activity itself, partly by revenue produced through the activity itself and partly from appropriations or tax money, or as a third possibility, financed entirely from appropriations or tax money. Food services and student body services activities are included here.

7. **Community Services**

   Community services are those services provided by the school district for the community as a whole, or some segment of the community, excluding public school and adult education programs operated by the school district.

8. **Capital Outlay**

   This classification refers to an expenditure which increases the amount of property owned by a school district.

   The purchase of additional furniture or equipment should be charged to this account in the General Fund unless authorized by the electors as indicated below. (Replacement of old furniture and equipment should be charged to Operation and Maintenance). Purchase of additional school buses should be charged to Other Educational Costs. If the electors of a district have authorized a bond issue for the purpose of erecting and equipping a building, the cost of furniture and equipment should be recorded under Capital Outlay in the Schoolhouse Fund. However, if the purchase of such furniture and equipment is made upon authorization of the school board (without a vote of the electors), the cost should be charged to Capital Outlay in the General Fund.

9. **Debt Service**

   The major item under this classification is in the interest paid on General Fund warrants stamped "not paid for want of funds." (Chapter 74.) The original face amount of such warrant should be charged to the proper account as determined by the purpose of the payment. This classification also includes any expenses such as court costs and other legal services connected with the payment of a debt.

Clearing Accounts

Clearing accounts are used to accumulate total receipts or expenditures either for later distribution among the accounts to which such receipts or expenditures are properly allocable, or for recording the net differences under the proper account. The accounts do not receive their revenue directly from local taxation or other similar public source.

They provide for the financial transactions which involve a double handling of money. Money can be received from the operation of a given activity and subsequently spent again for the same activity in a cycle of operations. In these instances, it would greatly distort the financial picture with respect to the money available for expenditure by the board of education, and money expended during the year by the board.

The accounts included in the Clearing Accounts of the Uniform Financial Accounting System for Iowa Schools are: Petty Cash, Securities Investment, Gifts and Trusts, Operation of Investment Properties, Food Services, Student Body Activities, Adult Education, Summer School, Materials for Resale, Textbooks, and Student Loans and Scholarship Accounts.

Special Activity Fund

All funds collected through school activities are under the financial control of the school board. Monies derived from these activities must be deposited in a separate bank account.

There is no specific provision in the Iowa Code for the establishment of an "Activity Fund." However, the general philosophy of education has tended to embrace the so-called "extra-curricular" activities as an integral component area within the total educational program. The legal machinery for financing the total educational program has not kept pace with this philosophy and consequently the Special Activity Fund has been developed as a means of financing this portion of the school program.

The fact that the source of money for the Activity

Fund is other than public taxes does not lessen the stewardship responsibilities of school officials for such funds. The school board should adopt definite policies regarding the raising and expenditure of these funds and the accounting should be the responsibility of a designated school employee who is properly bonded.

Although individual pupils may have contributed in time and effort toward the raising of such funds, they have no vested interest in these funds as individuals. It is important to remember that these funds were accumulated under school sponsorship, in many cases on school time, and under the supervision of school employees who are being paid from public tax funds.

The Report of the Attorney General, 1936, page 375, is the most common authority on the question regarding payment of extra-curricular expenses from public tax funds (General Fund). A brief summary of that opinion is presented below.

The following expenditures may not be made from public funds (General Fund) and hence shall be made from the Activity Fund.

1. Travel expenses for supervisors and participants in interscholastic contests such as athletic contests, music contests, etc.
2. Expenses incurred in providing uniforms for such participants.
3. Expenditures incurred in paying claims for hospital services and for injuries sustained by students participating in interscholastic and intramural contests and exhibitions.
4. Expenses for referees' fees and judges' fees in connection with the above noted contests and exhibitions.
5. Expenses incurred in promoting or sponsoring interscholastic and intramural contests and exhibitions. (Supplies, royalties for class plays, tickets, etc.)
6. Membership fees in national, state, or local associations, the purposes of such associations being to benefit, directly or indirectly, the students or groups who may be members.

The following expenditures may be made from public funds:

1. Expenses incurred in providing basketballs, footballs and similar equipment, whether they are to be used for interscholastic activities or for regular physical education classes.
2. Expenses incurred in building and lighting athletic fields to be used for interscholastic athletics.

   (The opinion pointed out that the above classification was not intended to be all-inclusive, but rather was intended to serve as a guide for such expenditures.)
3. The Department of Public Instruction has ruled that the protective equipment necessary for teaching certain sports may be paid from public funds.

Transfer of Funds

Transfer from General Fund to Schoolhouse Fund

School boards may no longer declare a surplus in the General Fund and transfer it to the Schoolhouse Fund.

Transfer from Schoolhouse Fund to General Fund

There is a statutory provision whereby the electors may direct the transfer of any surplus in the Schoolhouse Fund to the General Fund. (278.1, subsection 5) If this proposition is to be submitted to a vote of the electors, it may be done only at the regular school election since the provisions for special elections do not include this question. (277.2)

The only other possible method of transferring from the Schoolhouse Fund to the General Fund is one which provides for the transfer of inactive or "dead" funds. Under this provision, the board may transfer from a fund once the necessity for maintaining such fund has ceased to exist. (24.21) It is doubtful, however, that the need for maintaining a Schoolhouse Fund would ever cease to exist in a typical high school district.

The Permanent School Fund

The Permanent School Fund is a fund established by the Constitution of the State of Iowa (Article IX) and the Code of Iowa (Chapter 302) for the support of the common schools throughout the state.

Chapter 302 also provides for a "temporary school fund" and states that this fund shall be received and appropriated annually in the same manner as the interest of the permanent fund. This temporary fund is apparently not mentioned elsewhere in the Code and is, therefore, normally considered as a part of the permanent fund insofar as allocations to local districts are concerned.

The major sources of income for these two funds are as follows (302.2, 302.3):

1. The proceeds of all intestate estates escheated to the state.
2. The proceeds of the sale of the sixteenth section of each township (as provided in the Ordinance of 1785).
3. All forfeitures which are authorized to be made for the benefit of the school fund.

4. The proceeds of all fines collected for violation of the penal laws, and for the nonperformance of military duty.
5. The proceeds of the sale of lost goods and estrays.

The local school district receives financial benefit from these funds as follows:

1. **Semi-annual Apportionment**—On the first Monday in April and the first Monday in October the county auditor makes this apportionment to each district in the county on the basis of the school census. (298.11) The funds apportioned in this manner include:
    a. The proceeds of the county school levy, if any. (298.10) (The county board of supervisors **may** levy a tax of from one-fourth to three-fourths mill for the support of schools within the county.)
    b. Rents on unsold school lands.
    c. Proceeds of fines collected for the violation of penal laws, and for the nonperformance of military duty.
2. **Library Fund** (292.1)—The interest on the permanent school fund is allocated annually by the county auditor to the several school districts of the county, on the basis of school census, for the purchase of library books. This is commonly known as the County Library Fund and the money is expended by, or under the jurisdiction of, the county board of education.

Depository Banks

School district funds may be deposited only in such bank or banks as have been designated by the school board as official depository banks for the funds of that district. Such banks must be located within the State of Iowa but they need not necessarily be within the district or within the county where the district is located. (453.1, 453.4)

The approval of a depository bank should be by written resolution entered of record in the minutes of the approving board, and should specify the maximum amount which may be kept on deposit in each such bank. The original resolutions and any subsequent resolutions increasing the maximum amount must be approved by the treasurer of state. (453.2, 453.3)

Resolution forms may be obtained from the treasurer of state (Iowa Official Form No. 697). Two completed copies should be sent to the office of the treasurer of state; after approval, one copy will be returned to the local school district. It is also the duty of the school district treasurer to keep on file with the county treasurer a list of such depositories. (454.6)

The State of Iowa maintains a state sinking fund for the guarantee of public deposits. The above provisions must be complied with fully in order to assure that school district fund deposits are properly protected.

Investment of School Funds

Schoolhouse Fund

School district funds which have been created by a direct vote of the people may be invested in United States government bonds or may be placed on time deposit. All or any portion of such funds may be so invested or deposited at the discretion of the school board. (453.10) (Such funds must be deposited within the State of Iowa.)

Interest income on such investments should be credited to the Schoolhouse Fund and should be used for the payment of bonds and interest if the funds invested were created by a bond sale. However, if the money so invested was created by an over-levy in the Schoolhouse Fund, the interest earned should be credited to the General Fund.

The investment of money from the Schoolhouse Fund is described in Chapter 453 and comes from:

a. Proceeds of a bond issue (296.6, 75.1)
b. Proceeds of a two and one-half mill levy (278.1, subsection 7)

General Fund

The Sixtieth General Assembly amended Chapter 453 to give a school board the authority to invest funds "not immediately needed for current operating expenses in bank time certificates of deposit or savings accounts in banks approved as depositories as provided in Chapter 453." Interest is to go into the General Fund.

In order to invest General Fund money, the board must first offer these funds to two or more depository banks. If the district secures resolutions adopted by the board of directors of two or more lawful depository banks to which a proffer for deposit has been made and which resolutions are dated within ten days of the proffer and decline such public deposit, then and only then may the district invest the funds in interest-bearing notes, certificates, or bonds of the United States. Interest earned from such investments must be credited to the General Fund.

Funds may be invested in a savings account or in a time certificate of deposit for some period extending from ninety days to one year. (453.5) Rates for such investment may not be less than one per cent, nor more than four per cent. (453.6)

If investments are made from either the General Fund or the Schoolhouse fund, the following procedure should be followed:

1. **General Fund**

When short-term deposits are made or securities are purchased the warrant or check should be recorded as a transfer from the General Fund (Code #79910) Securities Investment-General Fund. Once the principal of such investments is returned to the school district this should be recorded as a transfer from clearing accounts (Code #03250) Return of Principal from Securities Investments. Only the interest earned from such investment should be recorded under Income on Investment Securities (Code #01710).

2. **Schoolhouse Fund**

When a Schoolhouse Fund warrant is written for the purchase of securities, the expenditure should be recorded as a Transfer to Clearing Accounts (Code #99980). Once money is received from the redemption of such securities the amount originally invested should be recorded as a Receipt From Clearing Accounts (Code #08250). The amount representing the interest earned from the investment should be recorded as Income on Investment Securities (Code #06410). There is the possibility that there may be a loss on such an investment if it must be recalled before the maturing date. In this event the amount of the loss should be recorded as a loss on Securities Investment (Code #94740).

Chapter IV

THE BUDGET AND TAX LEVIES

A public school district budget should be a well-conceived program of the educational activities of the community for a given period of time, with reasonably accurate plans for making expenditures and raising the necessary revenue.

Although existing legal provisions require an annual budget, the preparation of a budget should not be considered as a periodic activity; it is a continuous process and should involve long-term thought, study, and planning by the board, the superintendent, the faculty, and the citizens.

It is almost axiomatic that the preparation of a sound school budget involves three distinct plans: the educational plan, the expenditures plan, and the financing plan.

1. **The Educational Plan**

   Since the education of children is the only reason for the existence of a school district, the first consideration should be the plan to provide a sound educational program. This plan should give a picture of the entire school program and will indicate the number and type of personnel needed to carry out such a program. The educational philosophy and policies of the board should be expressed in sufficient detail to justify the financial plan which is to follow.

2. **The Expenditures Plan**

   This plan should contain an analysis of the cost of the proposed educational program. An adequate school budget will show considerable detail in regard to salary schedules, bond retirement schedules, material and equipment costs, and unit costs.

3. **The Financing Plan**[1]

   This plan should show detailed revenue estimates for the school year. Such estimates should be based on those of previous years and also on trends in property valuations, state support funds, tuition receipts, and general economic conditions. Revenues must be estimated accurately and the expected revenue must fully satisfy the demands of the expenditures plan. When a budget becomes unbalanced, it ceases to perform the function for which it was intended.

The budget document should show a detailed breakdown of receipts and expenditures by code numbers as prescribed in the Uniform Financial Accounting System. (See Chapters II and III, Research Bulletin No. 1000, "Uniform Financial Accounting for Iowa Schools," Department of Public Instruction, 1963. Printed copies of the detailed budget outline are available from several commercial printing companies.)

The purpose of this chapter is not to explore the development of the complete budget document, but rather to outline in some detail the legal procedure for certifying a local tax levy for school purposes and for authorizing expenditures for the fiscal year.

Certifying Board

The board of directors of a local school district is a certifying board. This means it has the authority and obligation to certify the tax to be levied and the amount of money to be collected by taxes to the levying board. The levying board in this case is the county board of supervisors. (24.2)

Fiscal Year for School Districts

The fiscal year for school districts is the period of twelve months beginning on the first day of July of the **current** calendar year and ending on the thirtieth day of June of the next calendar year. (24.2, 24.3) Thus, the budget which is certified to the county auditor in August of a given year is actually for the period of twelve months beginning on the preceding July first and ending on the next June thirtieth.

Local property taxes are collected on a calendar year basis (January 1 to December 31). This means that a tax levy certified by a school board in August of a given year will not yield any revenue to the school district until early in the following calendar year (the second semester of the school year for which the budget was made).

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[1] De Young, Chris A., "Budgeting in Public School," New York: The Odyssey Press, Inc., 1936.

Requirements of Local School District Budget

The school board cannot certify a local property tax levy for the support of schools unless and until the following estimates have been made, filed and considered (24.3):

1. The amount of income for the several funds from sources other than taxation.
2. The amount proposed to be raised by taxation.
3. The amount proposed to be expended in each and every fund and for each and every purpose during the fiscal year. (See definition of fiscal year above.)
4. A comparison of such amounts so proposed to be expended with the amounts expended for like purposes for the two preceding years.

Expenditures Limited by the Budget

A school board may not spend a greater amount of money during a fiscal year than that amount estimated and appropriated by the adopted budget. Thus, the budget is not only the authority for certifying tax levies, but it is also the authority for all expenditures which are to be made throughout the year. (24.14)

Limitations on General Fund Tax Levy; Approval for Emergency Increases

Iowa law provides that the amount to be raised by taxation for the General Fund shall not exceed the sum of four hundred dollars per person of school age (5-21) and such additional amount as may be necessary to pay the tuition on high school pupils. (298.1, amended 61st G.A.)

If this statutory limitation prevents a school board from raising sufficient General Fund revenue to meet budgetary requirements, the board may apply to the state comptroller for permission to levy an additional amount up to thirty-five per cent of the maximum allowance. It is further provided in the law that the state comptroller may give permission to exceed the thirty-five per cent upon recommendation of the county board of education or the county board of supervisors of the county in which the school is located. (298.2)

Application blanks (Iowa Official Form No. 699-B) for requesting such special permission are available from the office of the county auditor.

However, for the school fiscal year beginning July 1, 1966, and each year thereafter, no school district may levy an amount which is more than twice the state average amount per person of school age raised by taxation during the preceding school fiscal year, unless the proposition to do so has been approved by a majority of the voters at a regular or special election.

Filing of Budget Estimate; Notice of Hearing

The school board is required to file the Budget Estimate with its secretary at least twenty days before the date fixed by law for certifying the estimate to the county auditor. The school board is also required to fix a date for a hearing on the Budget Estimate and to publish the estimate with a notice of the time and place of the hearing at least ten days prior to the hearing. Since the estimate must be certified to the county auditor not later than August fifteenth, the final date for filing it with the secretary of the district would be July twenty-fifth. (24.9, 24.17)

The publication of the Budget Estimate and Notice of Hearing should be in a newspaper published in the district; if no newspaper is published in the district, the publication should be in some newspaper of general circulation within the district. (Rural independent and township districts may post the estimate and notice in three public places within the district in lieu of publication.) (24.9)

The school board is required to meet at the time and place designated in the notice, and any person who would be subject to the school district tax levy shall be heard in favor of or in opposition to the estimate or any part thereof. (24.11)

Budget Estimate Form

The School District Budget Estimate form (Iowa Official Form No. 15K-6327) is shown on the following page.

General Fund Amounts Subject to Limitation

Line "a" should show the amount for the General Fund, exclusive of the special levies for library, and local, state and federal retirement systems. In other words, this line should show the General Fund amount for "general purposes" and should include everything except those General Fund amounts for which a separate line is provided.

Line "b" is for the cost of tuition for pupils attending high schools.

The sub-total on line "c" is necessary since this is the amount to which the maximum levy in dollars per child of school age (5-21) applies. (298.1) If the amount on line "c" column 6 exceeds the maximum levy of $400 per census child, it will then be necessary to seek approval for an emergency increase in the General Fund levy. (298.2)

Library

Line "d" is to be used if the district has no free public library and if the school board contracts for the use of some free public library in another school district. The levy for paying such contractual amount shall not exceed one-fourth mill. (298.7)

Pension–Own System

Line "e" is to be used only by those districts which have a **local** teachers' pension system. Such systems are limited to those independent districts located in whole or in part within a city of twenty-five thousand one hundred population or more. In a city having a population of less than seventy-five thousand, the establishment of a local retirement system must be ratified by a vote of the people at a general election. (294.8)

O. A. S. I.–Federal

Line "f" is for the amount necessary to pay the school district's share of the Federal Social Security retirement program. (97C.10)

I. P. E. R. S.–State

Line "g" is for the amount to pay the school district's share to the Iowa Public Employees Retirement System. Each school district is authorized and directed by law to levy a tax sufficient to meet this obligation. (97B.9)

Total General Fund

Line "h" is the total of all expenditures in the General Fund. This includes the sub-total on line "c" plus the amounts shown in lines "d" through "g".

Iowa Official Form No. 15K-632

BUDGET ESTIMATE
SCHOOL DISTRICT

Notice: The Board of Directors of ....

(School District)

...., ... County, Iowa

(List Name of County or Counties)

will meet ...., 19...., at ...... M.,at ....

Taxpayers will be heard for or against the following estimate of expenditures for the year beginning July 1, 19..., and ending June 30, 19..., A detailed statement of receipts and disbursements, both past and anticipated will be available at the hearing.

....

District Secretary

(OMIT CENTS)

FUNDS	1 Expenditures	2 for Year	3 Proposed Expenditures Estimated This Year	4 Estimated Unencumbered Balance to Apply Upon This Budget	5 Estimated Income Other Than Taxation	6 Amount Necessary to be Raised by Taxation
	(Two Yrs. Ago)	(Last Yr.)				
a. General						
b. Tuition (High School)						
c. Sub-Total (Place this on Page 2 (Form 699B)						
d. Library						
e. Pension–Own System						
f. Old Age Surv. Ins. (Federal)						
g. Public Emps. Ret. (State)						
h. TOTAL–General Fund						
i. S. H. Fd. Playground (Voted)						
j. S. H. Fd. School Site						
k. S. H. Fd. Schoolhouse (Voted)						
l. S. H. Fd. Bonds and Interest						
m. S. H. Fd. Lease-Purchase						
n. TOTAL ALL PURPOSES						

Secretary's balance (beginning of current fiscal year):

1. GENERAL FUND .... \$
2. Less Unpaid Bills .... \$
3. Less Balance Reserved .... \$ \$

Net Unencumbered Bal. (G.F.) .... *\$
SCHOOLHOUSE FUND .... \$

*Amount left after deducting items 2 and 3 from item 1 and to be transferred to column 4 above.

Est. Tax per \$1,000 assessed value .... \$
Number of persons of school age ....
Taxable valuation .... \$
Moneys and Credits .... \$

Playground (Voted)

Line "i" is the first line on the Budget Estimate which applies to the Schoolhouse Fund. This line is to be used for the amount represented by a tax voted by the people for the establishment, maintenance, and supervision of playgrounds. This tax may be voted only in those districts containing or contained in a city. (A city is a municipal corporation of two thousand or more population.) This tax shall not exceed one-half mill. (300.1-300.3)

School Sites

Line "j" should show the amount resulting from a special school site levy certified by the school board. Authority to certify such levy, not exceeding one mill, rests only with the school board in a high school district which enrolls six hundred or more pupils and maintains a kindergarten through grade twelve program. (297.5, amended 61st G.A.)

Schoolhouse (Voted)

Line "k" will apply to those districts where a schoolhouse tax has been voted by the people. This is ordinarily referred to as a "two and one-half mill levy" although that represents the statutory maximum; a lesser amount may be voted by the people (278.1, subsection 7) If this is certified prior to October first, the annual levy will begin with the tax levy of the year filing; otherwise the levy will not be effected until the next year. (298.9, amended 61st G.A.)

Bonds and Interest

Line "l" is for the amount necessary to make principal and interest payments on bond issues voted by the people. The amount certified for this purpose shall not require a levy of more than seven mills. (298.18) Iowa law requires that a school board shall, before issuing bonds, file with the county auditor a resolution providing for an annual levy upon all property in the district sufficient to pay the principal and interest on the bonds over a stated period of time, but not to exceed twenty years. If this resolution is filed prior to October first, the annual levy will begin with the tax levy of the year of filing; otherwise the levy will not be effected until the next year. (76.2)

Lease-Purchase Option

Line "m" is for the levy to pay an obligation under a lease-purchase option contract. This levy may not exceed five mills, and the approval by sixty per cent of those voting is necessary.

Disposition of General Fund Balance

The table at the lower left-hand corner of the Budget Estimate page should be accurately completed, since these figures will determine the amount of the General Fund balance which will apply to the new budget in order to reduce the amount necessary to be raised by taxation.

Line "l" should show the secretary's General Fund balance as of July first (beginning of the current fiscal year). Line "2" is for the total amount of unpaid bills as of the beginning of the fiscal year, and line "3" is for the balance to be reserved. The Balance Reserved is a very important figure in any budget estimate. It should be remembered that the fiscal year runs from July first through June thirtieth but that tax revenue comes in mainly in October and April. It should also be kept in mind that the tax revenue received in October is based upon the previous school year's needs and thus may be somewhat less than needed for the current school year. Thus the budget should provide for a sufficient reserve to take care of necessary expenses until April, taking into account local tax revenue to be received in October and state and federal receipts. The exact amount or percentage of the total yearly operating budget this should be varies from district to district. The reserve should not be unnecessarily large, nor should it be so small as to require the short term borrowing of funds.

On line 3, the sum of the unpaid bills and the balance reserved is subtracted from the secretary's balance at the beginning of the current fiscal year. The remainder is the net unencumbered balance of the General Fund and will be applied to the new budget in order to reduce the amount necessary to be raised by taxation. This net unencumbered balance must be transferred to column 4, line "a."

Income Other Than Taxation

The total amount of estimated income other than taxation should be entered in column 5, lines "a" and "c." This amount should include tuition, state aids, federal aids, military service tax credit, semi-annual apportionment, transfers, and any other anticipated income aside from taxes.

Amount Necessary to be Raised by Taxation

The amount necessary to be raised by taxation (column 6) will be computed by subtracting the sum of the amounts in columns 4 and 5 from the amount in column 3. The millage levy may be found by dividing the amount necessary to be raised by taxation by the assessed valuation of the district. The millage levy is numerically equal to the tax in dollars per one thousand assessed valuation.

Adopted Budget and Certificate of School Taxes

Immediately after the budget hearing, and not later than August fifteenth, two copies of the Adopted Budget and Certificate of School Taxes (Iowa Official Form No. 636) should be submitted to the county auditor of each county in which the school district is located. (24.17).

(An excellent reference on budgetary procedures is a booklet entitled, "Tax Levies, Expenditures, Budgets." This booklet is published biennially by the State of Iowa; it is compiled in the office of the state comptroller and is available through the office of the county auditor.)

Protest to Budget

The decision of the school board regarding a proposed budget may be appealed not later than the first Tuesday in September by a number of persons equal to one-fourth of one per cent of those voting for the office of governor at the last general election in the district, but in no event less than ten. At least three of such persons must have filed a joint written objection at or before the budget hearing meeting of the school board.

The protest must be in writing and should be filed with the county auditor. There are no official forms for filing an appeal; it is suggested that the written protest be filed in duplicate. The county auditor will immediately prepare a true and complete copy of the written protest, together with the budget, proposed tax levy, or expenditure to which objections are made. One copy will be sent to the State Appeal Board and one copy to the local school board.

The State Appeal Board is composed of the state comptroller, the auditor of state and the treasurer of state. This board fixes a date for an initial hearing on the protest and sends notices of the time and place to the school board and to the first ten property owners whose names appear on the protest.

It is the duty of the State Board of Appeal to review and finally pass upon all proposed budget expenditures, tax levies, and tax assessments from which appeal is taken. It has the authority to approve, disapprove, or reduce all such proposed budgets, expenditures, and tax levies but it may not increase any of them. The state board certifies its decision to the county auditor and its decision is final. (24.25-24.31)

Budget Amendments

Once a budget has been adopted and certified, there is no way to amend it in order to increase the amount of money to be raised by taxation. However, a budget may be amended in order to increase appropriations and expenditures, provided such increase can be financed by cash balances or sources of income other than taxation which were not anticipated when the budget was originally adopted.

Such amendments may be considered and adopted at any time during the fiscal year by filing, publication, and hearing in the same manner as required for the original budget. Within twenty days of the decision or order of the school board regarding the amendment it shall be subject to protest in the same manner as that provided for protesting the original budget. (24.9, 24.26-24.31)

Tax Loss Reimbursement; Tax-Free Lands

Iowa law provides that a school district shall be reimbursed for loss of taxes due to the fact that unplatted lands within the district are owned by the government and are, therefore, removed from taxation for school purposes. This applies to such lands owned by the federal government, the State of Iowa, the county, or a municipal corporation. However, it applies only to lands owned by a municipal corporation in those cases where the municipal corporation is located wholly outside the boundaries of the school district in which the tax-free lands are located. (284.1)

It should be noted that this reimbursement applies only to **unplatted** lands; it does not apply to buildings or improvements of any kind. Unplatted lands are lands which have not been subdivided into lots, streets and alleys. McDaniel v. Mace, 47-510.

● Land taken away from a school district for interstate highway purposes qualifies that district for reimbursement by the state of taxes that normally would have been assessed on such land for school purposes.

The amount of reimbursement shall be computed by the county board of supervisors on or before September 1 in the year in which the tax deductions were made. Ltr. OAG to Iowa Executive Council, February 28, 1962.

The amount of tax loss reimbursement is computed by the county board of supervisors in the county in which such lands are located and the computation is made on or before the first day of September. There are two different methods provided for such computation:

1. On the basis of the proportion that the assessable value of the total number of acres owned by the governmental unit in the school district bears to the assessable value of the total number of acres in such school district. The average assessable value per acre of the tax-free lands within the district shall not exceed the average assessable value per acre of all taxable lands within the district.
2. If the tax-free land or any part thereof is being operated by a municipal corporation for veterans or public housing purposes, and the municipal corporation does not furnish school facilities for the tenants' children of school age, then the municipal corporation is obligated to provide its proportionate share of the education and building costs of the school district in which the project is located. This computation is made on the basis of the proportion the number of pupils attending the district from tax-free lands bears to the total number of pupils attending the district.

The use of either of the two methods of computation provided for above is determined on the basis of whichever is the greater. (284.2)

After the amount of reimbursement is determined by the county board of supervisors the payment to the school district is made by the city council if the land is owned by a municipal corporation; by the county auditor if the land is owned by the county; and by the secretary of the State Executive Council if the land is owned by the state or federal government. (284.3, 284.4)

It is the duty of the secretary of the school district, when certifying the taxes on or before August fifteenth to file a statement with the county auditor of the proper county showing the amount of such tax-free land, its description, and the branch of government by which owned.

It is also the duty of the secretary at that time to file with the county auditor a certified statement showing:

1. Names of employees of the state or federal government who live on government-owned land and who have children attending school outside the home district as provided by law.
2. By whom employed.
3. Capacity of their employment.
4. The names of the children for whom tuition is to be paid.
5. The name of the school district to be attended.
6. Total period of attendance.
7. Amount of tuition the district is required to pay for each of such children.

Blanks for filing such statements may be obtained from the State Executive Council, State House, Des Moines. (284.5)

The county auditor computes the millage levy by dividing the budget asking in column 6 of the Adopted Budget by the "gross" assessed valuation (including tax-free lands). This millage levy is then spread only on those lands and property which are not tax-free. The remainder of the budget asking is then made up of the tax loss reimbursement payment. (284.6)

In reporting assessed valuation on the Annual Report to the county superintendent and on the Application for Supplemental Aid, the gross valuation including tax-free lands, should be given.

Chapter V

RECORDS, AUDITS, AND PUBLICATIONS

A school board is a state agency as well as a local agency. Its members are elected by the voters of the local school district but it operates within a sphere of legal duties, authorizations and limitations which are prescribed by the state legislature.

The stewardship of funds, the keeping of accurate and complete records, and the provision for required publications are all obligations of the local board in complying with the law and providing information to the public.

Minutes of School Board Meetings

The importance of keeping minutes of school board proceedings was expressed by a Kentucky court as follows, "The board of education can act only in its official capacity. It is made by the statute a body politic and corporate and all of its acts and doings should be a matter of record. . ." Board of Trustees and Hartford Graded School v. Ohio County Board of Education. 174 Ky. 424.

Iowa law does not prescribe a fixed order of business which must be followed in a school board meeting. Where a board has not already adopted a regular order of business, the following is suggested:

1. Reading and approval of minutes of previous meeting.
2. Reading and disposal of bills.
3. Reports of committees, petitions, and communications and disposal of same.
4. New business.

The secretary's minutes for any particular board meeting should show:

1. Date, hour, and place of meeting.
2. Kind of meeting—regular, special, adjourned, or annual.
3. By whom called.
4. Who presided.
5. Who served as secretary.
6. Names of members present.
7. Record of each motion properly presented, whether adopted or not, with name of persons making and seconding the motion. (Motions withdrawn or declared out of order need not be recorded.)
8. Record of the number of votes cast for and against each motion. (If taken by voice vote, show of hands, or by ballot, the record need show only the number for and the number against. A roll call vote should be so recorded as to show the vote of each member.)

SURVEYS
RECORDS
BUDGET
AUDIT

9. Summary of important items considered and discussed by the board irrespective of formal action taken.
10. All reports of committees, petitions, and communications received and the action taken on each. (Such reports, petitions, etc., should be placed on file and referred to in the minutes for identification.)
11. Identification of all bills audited by the board and a record showing whether such bills were allowed or rejected.
12. Signature of secretary or acting secretary.
13. Record of approval of minutes by the board and the date of approval.

Financial Accounting Records

Under Iowa statutes financial accounting procedures are prescribed by the state superintendent of public instruction, subject to approval of the state board of public instruction. (257.10, subsection 5, 257.18, subsection 11)

For details pertaining to the prescribed financial accounting system for public school districts see:

Uniform Financial Accounting for Iowa Schools, Department of Public Instruction Research Bulletin No. 1000, 1963.

Preservation of Records

Iowa law makes no particular reference to the retention of school district records except that the school board is authorized to make rules and regulations for the care of school property. (279.8) The Statute of Limitations (Chapter 614) is the basis for the following suggested procedures:

1. The secretary's and treasurer's financial accounting records should be kept permanently.
2. The minutes of the school board should be kept permanently.
3. Pollbooks should be kept as permanent records. (Ballots should be retained for six months after the date of election.)
4. Canceled warrants, check stubs, bank statements, bills, invoices and receipt forms should be retained for five years.
5. Bonds should be held for ten years from date of recall. Bond coupons should be stamped "paid" and retained for ten years.
6. A copy of each year's budget and financial report should be retained for research purposes.
7. Written contracts should be retained for ten years.
8. The record of payment of judgments against the district should be retained twenty years.
9. A complete individual permanent record of each pupil should be maintained either in its original form or on microfilm.

School District Audits

An annual audit is required by law in any school district maintaining a high school. In any such district the school board may request that the audit be made by an examiner from the state auditor's office or it may employ a public accountant who is certified and registered in the State of Iowa. If the school board elects to have the audit made by a public accountant, the state auditor must be so notified within sixty days after the end of the fiscal year to be examined. (The fiscal year ends June thirtieth.) If the state auditor does not receive this notification within the required period he is authorized to make the examination and cover any period which has not been previously examined. (11.18) The school district is required to pay the cost of all audits; the cost should be charged to Administration under the General Fund (Code No. 10331). (11.18) Ltr. OAG, June 25, 1961.

The Department of Public Instruction does not make school audits. Any requests or correspondence pertaining to audits should be sent to the State Auditor's Office, School Audit Division, State Capitol Building, Des Moines, Iowa, 50319.

If an audit is made by a public accountant, he has all of the powers and authority of state examiners employed by the state auditor. Upon completion a signed copy of each audit report must be filed by the accountant with the state auditor. All audit reports are open to public inspection.

Notice that the report has been filed shall be sent by the accountant to each newspaper, radio station and television station located in the school district; if there is no newspaper, radio station or television station located in the district the notice must be sent to the official newspapers of the county. (11.19)

It is recommended that every high school district have an annual audit. Upon action of the school board such audits may be requested and completed under the same procedure as those indicated above for required audits. (11.18)

In a school district which is not required to have an annual audit (by virtue of not maintaining a high school) an audit may be required:

1. By application of one hundred or more taxpayers, or if there are fewer than five hundred taxpayers, then by five per cent thereof. (11.18)
2. By written request of the county superintendent of schools. (11.18)
3. By written request of the state board of public instruction. (257.18, subsection 12)

Publication of Quarterly and Annual Financial Statements

The school board of each high school district in which a newspaper is published is required to publish an **annual** summarized statement showing the receipts and disbursements of all funds for the preceding school year. This publication must be made by one insertion in at least one newspaper during the second week of July. In all such districts of more than one hundred twenty-five thousand population, the statement of disbursements must show the names of the persons, firms, or corporations, and the total amount paid to each during the year. (279.32)

The publication fee for the **annual** financial statement is at the full legal rate of twenty cents per line for straight matter and thirty cents per line for the list of warrants. (618.11)

In non-high school districts and in every district wherein no newspaper is published, the **annual** statement must be filed with the county superintendent during the first week of July each year, and copies of the statement must also be posted in three conspicuous places within the district. (279.33)

High school districts in which a newspaper is published, and which have a total population of less than one hundred twenty-five thousand, are also required to publish a **quarterly** financial statement by one insertion in at least one newspaper published in the district. (279.34)

The **quarterly** statement should show a summary of the proceedings of the school board pertaining to financial matters or expenses to the district for the previous quarter, including a list of all warrants issued, the names of the payees, the amount, and the reasons therefor. However, warrants issued to regular employees (teachers, janitors, etc.) need be listed not oftener than annually. (Thus, salaries for each quarter may be published as one lump sum.) (279.34)

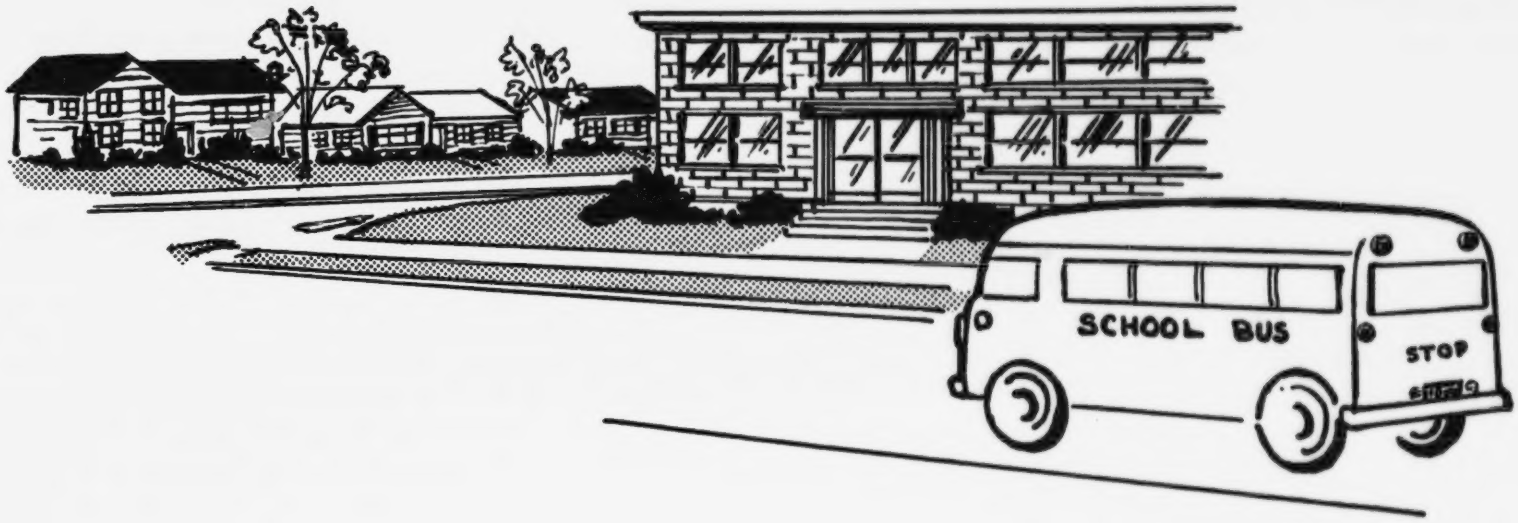
The publication fee for the **quarterly** statement shall not exceed one-half the legal rate. (279.34, 618.11) A newspaper is considered to be published where it is distributed, not necessarily where it is printed. Ltr. OAG, Sept. 22, 1930.

Following is a brief summary of the provisions pertaining to publications of the annual and quarterly financial statements:

1. In districts of more than one hundred twenty-five thousand population, the **annual** publication is required, but **quarterly** publications are not required. For these districts the annual statement must show the name of each payee and the total amount paid to each during the year.
2. In high school districts having a population of less than one hundred twenty-five thousand, and in which a newspaper is published, the **quarterly** publications are required in addition to the **annual** publication.
   The **quarterly** statements should show all salaries lumped together in one amount but all other payees should be listed separately and the amount paid to each and the reason therefor should be shown. (No payee need be listed more than once in a single publication even though he may have received several warrants. In such cases the several warrant numbers should be listed on the same line with the name of the payee, the reason, and the total of the several payments.)
   The **annual** statement should show the name of each employee and the amount paid to each. (Salaries cannot be lumped together in the **annual** statement.) Other expenditures may be shown on the **annual** statement as a lump sum of the amounts previously itemized in the **quarterly** statements.
3. In non-high school districts and in any district in which no newspaper is published, the **quarterly** statement is not required. The **annual** statement for these districts must be filed with the county superintendent and copies must be posted in three conspicuous places in the district.

Chapter VI

STATE AND FEDERAL AIDS



Although the major portion of financial support for public education in Iowa comes from local property taxes, there are several sources of income for school districts through state and federal aids.

State aids are paid from appropriations made by each biennial session of the legislature. In all cases the law provides that if the amount appropriated is sufficient to pay the claims in full, then each payment shall be made in the ratio that the total amount appropriated and available bears to the total amount of the valid claims. In other words the available money is prorated and paid to all qualified districts on the same percentage basis.

It is the responsibility of the Department of Public Instruction to audit and verify all state aid claims. The claims are then certified to the state comptroller for payment.

Application blanks for General, Supplemental, and Transportation Aid are distributed to local school districts before the end of the school year and the completed applications should be in the office of the state superintendent immediately following the end of the school year. Promptness and accuracy in the completion of these applications are extremely important. Since most of these aids must be prorated, no payments can be certified until the claims have been received from **all** qualifying districts in the state.

Types of Aids

The annual appropriation for each of the state aids shown below is the amount applying to each year of the 1965-1966 biennium.

General Aid (Chapter 286A) (Annual Appropriation $33,500,000)

General Aid is a flat-grant type of aid which is paid to all approved school districts on the basis of average daily attendance. In order to qualify, the district must have levied at least 15 mills for the General Fund.

The General Aid formula provides for a payment of seventeen cents per day per elementary pupil, twenty cents per day per high school pupil, one dollar per day per resident junior college student plus the full time equivalent of resident students carrying less than twelve semester hours of work, two dollars and twenty-five cents per day per non-resident junior college student plus the full time equivalent of non-resident students carrying less than twelve semester hours of work, one dollar thirty cents per day per pupil to a district which pays tuition to an area vocational technical school or program, and one dollar fifty cents per day per student for students who are full time day students in an approved area vocational technical high school or program and which students have graduated from high school or are beyond twenty-one years of age.

The General Aid formula applies to the actual number of days school was officially in session, but not to exceed one hundred eighty days. General Aid is paid for a day of county institute. If school is actually in session for one hundred seventy-nine days, the average daily attendance for the year should be computed as follows: Divide one hundred seventy-nine into the aggregate days of attendance for the one hundred seventy-nine days. The average daily attendance figures on the General Aid application must agree with those on the annual report to the county superintendent.

There is an exception to the provision for payment of General Aid for one hundred eighty days. Section 286A.4 (3) as amended by the 61st General Assembly provides for payment of aid at the rate of two dollars and twenty-five cents per day per pupil for the actual number of days an area vocational school or area community college was officially in session.

For all state aid purposes, elementary pupils are defined as kindergarten through eighth grade, and high school pupils are defined as ninth through twelth grade.

Kindergarten pupils who attend **half-day** sessions for the **full** year may be counted full time for state aid and tuition purposes. However, kindergarten pupils attending **all day** for only **half** the year are counted only half-time.

Thus, average daily attendance for kindergarten pupils attending **all** day for **half** the year (either every day for one semester or every **other** day **all** year) should be computed as follows: divide the **actual** aggregate days of attendance for those pupils by the number of days the remainder of the school system was in session for the full year (one hundred seventy-nine, one hundred eighty, etc.). It should be noted therefore that in no case will a pupil be given credit for two days of school attendance in any one calendar day.

Time Lost Adjustment on General Aid

The law provides that in cases of unnatural weather hazards, bad roads, and epidemics, the state superintendent may adjust the General Aid formula in order to avoid penalizing a district. Such adjustment may apply to days lost or to a reduction of average daily attendance due to these causes.

No adjustment will be made for days lost if the school term is ended before May thirtieth. No adjustment will be made for loss of school attendance due to commons colds or any other ailments which are not of a true "epidemic" nature.

Special time lost adjustment blanks are provided with the regular General Aid blanks. This adjustment is discretionary with the state superintendent and will be made only when all necessary information is provided and verified.

Supplemental Aid (Chapter 286) (Annual Appropriation $4,000,000)

Supplemental Aid is an equalization type of aid with the most money going to those districts having the least local ability (in terms of assessed valuation per pupil) to support public education.

The formula provides for state subsidy to those approved school districts which cannot raise one hundred twenty dollars per elementary pupil and one hundred seventy dollars per high school pupil on a levy of fifteen mills in high school districts and ten mills in non-high school districts. In addition to qualifying under this formula, a district must have levied at least fifteen mills for the General Fund.

The average daily attendance figures, the millage levy, and the assessed valuation of the district, as shown on the Supplemental Aid application blank, should agree with the corresponding figures on the annual report to the county superintendent. The assessed valuation should include the value of tax-free lands.

Transportation Aid (Chapter 285) (Annual Appropriation $4,000,000)

Those districts which provide pupil transportation according to law and prescribed standards are reimbursed by state funds.

Aid for transportation is allocated on a basis of thirty dollars per year per pupil transported by bus.

In cases where school bus transportation is not practicable or available, the state aid is based on a flat amount of twenty-three dollars per pupil per year. (This applies in those cases where pupils are transported by parents or by common carrier.)

Application blanks for transportation aid are distributed and collected through the county superintendent's office. Applications are due in the Department of Public Instruction on or before July first.

For details regarding regulations and procedures in school transportation, see the following Department of Public Instruction bulletins:

Bulletin TR-B-1, "The Transportation Program"
Bulletin TR-B-3R, "The School Bus"
Bulletin TR-B-5, "Pupil and Financial Accounting for School Transportation"

Special Education Aid (Chapter 281) (Annual Appropriation $2,500,000)

Special Education Aid is provided to help pay the cost of education for handicapped children, which, as defined by law, include those under twenty-one years of age who are crippled, or who have defective sight, speech, or hearing, heart disease, tuberculosis, or who by reason of physical defects cannot attend the regular public school classes with normal children. It also includes those certified by a physician to be emotionally maladjusted or intellectually incapable of profiting from ordinary instructional methods.

When a local school district maintains an approved program of special education it is entitled to receive reimbursement from the state for the excess cost of that program above the cost of instruction of pupils in the regular curriculum of the district. In those cases where the program is operated by the county board of education, the excess cost is computed on the basis of the average per pupil cost of the participating districts.

In order to qualify for state aid, special education programs must have prior approval of the Special Education Division of the Department of Public Instruction. Claim blanks are distributed and collected through the county superintendent's office and are due in the Department of Public Instruction by June twentieth following the close of the school term.

Vocational Education Aid (Chapter 258) (Annual State Appropriation $2,400,000)

In order to receive Vocational Education Aid, either state or federal, a school must have its vocational program approved by the Division of Pupil Personnel Services of the Department of Public Instruction. Approval standards are related to the following factors: minimum number of pupils, qualifications of teachers, adequate facilities and equipment.

Federal funds are appropriated through the Smith-Hughes Act of 1917, the George Barden Act of 1946, and the Vocational Education Act of 1963. The areas of vocational education include agriculture, distributive education, home economics, practical nurses' training, trades and industrial education, technical education and occupational information and guidance.

Mining Camp Aid (S.F. 645, Act of the Sixty-First General Assembly) (Annual Appropriation $55,000)

The Mining Camp Aid appropriation is intended to provide some state subsidy to those school districts which contain mining camps and consequently have a very low assessed valuation per pupil. Distribution is at the discretion of the state superintendent of public instruction.

Emergency Aid (S.F. 645, Acts of the Sixty-First General Assembly) (Annual Appropriation $200,000)

Emergency Aid is provided to give some financial relief to those districts which cannot maintain reasonable educational standards without levying a tax in excess of one hundred mills. Distribution is at the discretion of the state superintendent of public instruction.

Driver Education Aid (H.F. 390, Acts of Sixty-First General Assembly) (Annual Appropriation $1,200,000)

The state will reimburse each public school district in an amount not to exceed thirty dollars for each student who successfully completes an approved driver education course offered or made available by the school district. This is paid at the end of the school year.

Children from Charitable or State Supported Institutions

The state will pay the tuition and transportation charges for children who are residents of charitable institutions organized under the laws of the state or who are residents of the Iowa Juvenile Home or the Iowa Annie Wittenmeyer Home. (Chapter 282)

Tuition When in Foster Home

When any child five to twenty-one has become a public charge and is being cared for in a boarding (foster) home licensed by the state, and the domicile of the child at the time he became a public charge was in another school district than the one where the boarding home is located, the state will pay the tuition and transportation charges. (Chapter 282)

Federal School Lunch Aid

Under the terms of the National School Lunch Act as passed by Congress in 1946, the Department of Public Instruction is charged with administering the school lunch programs in the public schools of Iowa. The Department is also the designated agent for the handling and distribution of government-donated commodities to school programs and to state institutions.

The monthly claims for reimbursement from Federal School Lunch Funds are audited by the school lunch division of the Department of Public Instruction and an abstract of these claims is submitted to the state treasurer for payment.

Chapter 283 was written to give the state Board of Public Instruction the right to accept and administer any federal funds appropriated by Congress for educational purposes. Included also are services, commodities, and surplus property.

Chapter VII

SCHOOL CENSUS AND PUPIL ATTENDANCE ACCOUNTING

School census in Iowa is taken as of June first in each even-numbered year. A school census child is one who, as of that date, is between five and twenty-one years of age. In other words, he has reached his fifth birthday but has not yet reached his twenty-first birthday. (291.9)

A child is of compulsory school attendance age if he has reached his seventh birthday but has not yet reached his sixteenth birthday. (299.1) This enumeration is required at the time the school census is taken.

In addition to the above enumerations required by law, it is recommended that each census-taking official also record the name and age of each child below five years of age. This pre-school census is important for the prediction of future enrollment and classroom needs.

Because of the legal and financial implications of school census figures, a complete and accurate school census is an important obligation of school officials. Those sections of the Iowa Code which outline the duties of various officials regarding school census are quoted below.

(273.18, subsection 27) **County Superintendent**–

> "Keep accurate school census records for the county and file annually, on or before the last secular day in July, with the county auditor, a statement of the number of persons of school age in each township and independent district in the county and make such other reports thereon as may be required by law."

(273.18, subsection 28) **County Superintendent**–

> "Report on or before August 1 of each year, to the superintendent of the school for the blind, the name, age, residence, and post-office address of every person resident of the county, without regard to age, so blind as to be unable to acquire an education in the common schools; to the superintendents of the school for the deaf, with corresponding detail, persons under the age of thirty-five, whose faculties with respect to speech and hearing are so deficient as to prevent them from obtaining an education in the common schools; and to the institution for the feeble-minded all persons of school age, who, because of mental defects are entitled to admission therein."

(279.22) **Subdirector** (Rural Township Districts)–

> "Each subdirector shall, between the first and fifteenth days of June in each even-numbered year make a list, on blanks prepared for that purpose by the superintendent of public instruction, showing, as of June 1, the following:
>
> 1. The name and post-office address of parents and guardians in his subdistrict with the name, sex, and age of all children or wards residing

in the subdistrict who are between five and twenty-one years of age.

2. The name, age, and post-office address of every person resident of the subdistrict without regard to age so blind as to be unable to acquire an education in the common schools.
3. The name, age, and post-office address of every person between the ages of five and thirty-five whose faculties with respect to speech and hearing are so deficient as to prevent him from obtaining an education in the common schools.
4. The name, sex, age, and disability of every physically handicapped or feeble-minded person of school age, with the name and post-office address of the parent or guardian.

By the twentieth day of said month, the subdirector shall send this list to the secretary of the school township who shall make full record thereof as required by law."

(291.9) **Secretary**—

"He shall, between the first day of June and the first day of July of each even-numbered year, enter in a book prepared by the superintendent of public instruction for that purpose the following, taken as of June 1:

1. The name and post-office address of parents and guardians in his district with the name, sex, and age of all children or wards residing in the district who are between five and twenty-one year of age.
2. The name, age, and post-office address of every person resident of the district without regard to age so blind as to be unable to acquire an education in the common schools.
3. The name, age, and post-office address of every person between the ages of five and thirty-five whose faculties with respect to speech and hearing are so deficient as to prevent him from obtaining an education in the common schools.
4. The name, sex, age, and disability of every physically handicapped or feeble-minded person of school age, with the name and post-office address of the parent or guardian."

(299.16) **All School Officers**—

"All school officers empowered to take the school census shall ascertain the number of children over seven and under sixteen years of age, in their respective districts, the number of such children who do not attend school, and so far as possible the cause of the failure to attend."

(299.17) **Assessor** (Blind, deaf or severly handicapped children)—

"The assessor shall at the time of making assessment, record on suitable blanks furnished to him for that purpose, by the secretary of the State Board of Regents, the names, ages, sex and post-office addresses of all deaf or blind or severely handicapped persons within the county. The county or city assessor shall forward to the secretary of the State Board of Regents such returns within thirty days after the same are computed."

Accounting for Pupil Attendance

Pupil attendance figures constitute an important part of any public school data, whether such data be collected at the local, county, state, or national level. Since these figures are also used in computing state aid claims, it is important that they be recorded, compiled, and reported on a uniform basis throughout all school districts in the state.

Following are definitions and explanations of some of the more important terms used in pupil attendance accounting:

ENROLLMENT—the total number of original entries and re-entries in an administrative unit during a given reporting period. A pupil is considered to be enrolled in a public school when he has been registered and is taking part in the full public school program at his grade level.

SCHOOL YEAR—the school year shall begin on the first of July and end on the June thirtieth following, during which time the school offers daily instruction interrupted by vacation periods. Each school regularly established shall operate for at least thirty-six weeks of five school days each (total of one hundred eighty days) and may be operated during the entire calendar year. The day devoted to the county institute is counted as one of the minimum of the one hundred eighty days, but the other one hundred seventy nine days must be days of school in session. (See definition of Day of School in Session.)

SCHOOL DAY—that part of a calendar day when school is in session. The time that school is actually in session may vary for any given division of the school. The minimum length shall be five and one-half hours for all grades above the third; four hours for grades one, two, and three, respectively; and two and one-fourth hours for the kindergarten or primary grade. (The above minimum hours in session are exclusive of lunch intermission.)

DAY OF SCHOOL IN SESSION—a day in which the school is open and the pupils are under the guidance and direction of teachers. Some days the school plant itself may be closed and the student body as a whole engaged in school activities outside of the school plant under the guidance and direction of teachers. Such days should be considered as days in session. Days on which school is closed for such reasons as holidays, teachers' institute, parent-teacher conferences, athletic events, and inclement weather should **not** be considered as days in session. Schools shall be considered in session during field trips and excursions only if pupils are engaged in school projects or activities under the direction of a regular teacher.

DAY OF ATTENDANCE, FULL DAY— attendance for a full school day under the guidance and direction of a teacher while school is legally in session. If overcrowded conditions make it necessary to hold two separate sessions with a different group of pupils in each session, a pupil attending for all of either session should be considered as having attended for the full day. An excused absence during examination periods or because of sickness or for any other reason should **not** be counted as a day of attendance.

If kindergarten is conducted on a half-day basis, each such half-day session is counted as a day of attendance. (This principle also applies both for tuition and state aid purposes.) Pupils are not counted in attendance on a day when school is dismissed for county institute. (Pupils are neither present nor absent; school is simply not in session.)

DAY OF ATTENDANCE, HALF-DAY–attendance during a morning or afternoon session. This is the smallest unit of time recorded for attendance purposes. A pupil who is present a major part of either a morning or afternoon session is counted as being in attendance for that half day. The only exception to this is for kindergarten as described above.

AGGREGATE DAYS OF ATTENDANCE—the sum of the days present (actually attended) of all pupils when school was legally in session during the regular school year. Only days on which the pupils were under guidance and direction of teachers in the teaching process should be considered as days in session.

AVERAGE DAILY ATTENDANCE—the aggregate days of attendance of the school during a given reporting period (excluding day for county institute) divided by the number of days school was legally in session during this period.

$$\text{ADA} = \frac{\text{Aggregate days of Attendance}}{\text{No. of days school was in session}}$$

If school was in session one hundred seventy-nine days and dismissed one day for county institute, the average daily attendance is computed by dividing the **aggregate days of attendance for the one hundred seventy-nine days by one hundred seventy-nine.**

The average daily attendance of groups of schools having varying lengths of terms is the sum of the average daily attendance obtained for the individual school.

MEMBERSHIP—a pupil is a member of a class from the date he presents himself at school and is placed on the current roll until he withdraws from membership in the class or school. During this period, the pupil is either present or absent on each day (or half day) during which school is in session. The date of withdrawal from membership should be the date on which it is officially known that the pupil has left permanently or the date on which the sixteenth consecutive day of absence occurs, whichever is earlier. Membership for a class or school, as of a given date, is obtained by adding the total original entries and the total re-entries and subtracting the total withdrawals; it may also be obtained by adding the total number present and the total number absent. (This term is also known as the "number belonging.")

AGGREGATE DAYS OF MEMBERSHIP—the sum of the days present and absent of all pupils when school was legally in session during the regular school year. Only days on which the pupils were under the guidance and direction of a teacher in the teaching process should be considered as days in session.

AVERAGE DAILY MEMBERSHIP—the aggregate days membership of the school during a given reporting period (excluding day for county institute) divided by the number of days school was legally in session.

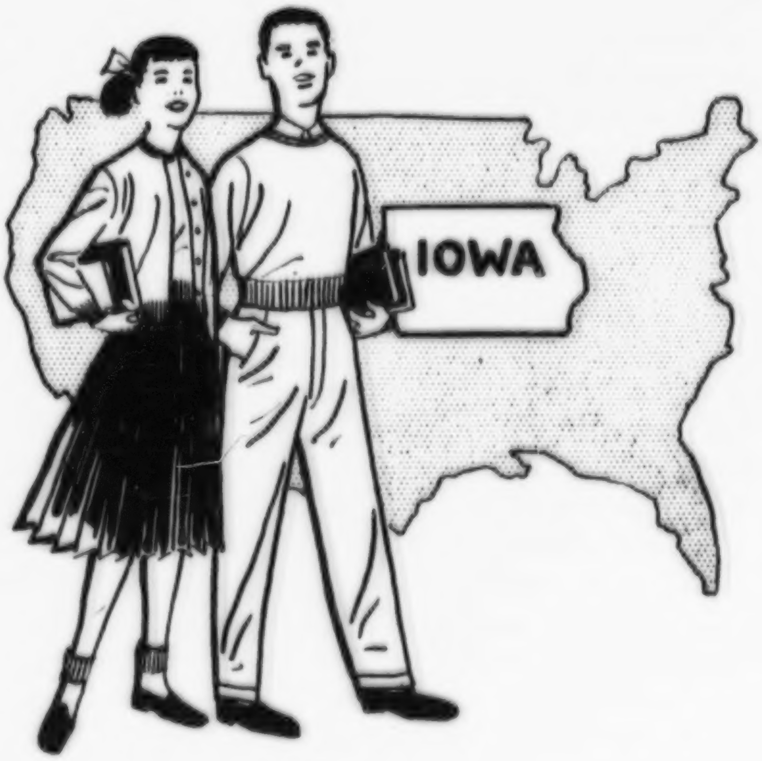
$$\text{ADM} = \frac{\text{Aggregate days membership}}{\text{No. of days school was in session}}$$

Only days on which the pupils were under the guidance and direction of teachers in the teaching process should be considered as days in session. The reporting period is generally a given regular school year. The average daily membership for groups of schools having varying lengths of terms is the sum of the average daily memberships obtained for the individual schools.

DROPOUT—a pupil who leaves a school, for any reason except death, before graduation or completion of a program of studies and without transferring to another school. The term "dropout" is used most often to designate an elementary or secondary school pupil who has been in membership during the regular school term and who withdraws from membership before graduating from secondary school (grade 12) or before completing an equivalent program of studies. Such an individual is considered a dropout whether his dropping out occurs during or between regular school terms, whether his dropping out occurs before or after he has passed the compulsory school attendance age, and, where applicable, whether or not he has completed a minimum required amount of school work. A dropout may be classified according to the principal reason for dropping out.

Chapter VIII

RESIDENCE AND TUITION



Residence

The matter of tuition rests solely on the residence of the pupil and considerable litigation has been carried on involving the fact of residence and the collection of tuition. School residence is determined by the residence of the parents, but where this would unreasonably deprive a child of school privileges, another school residence may be established where it appears that a child's residence is primarily for the purpose of having a home and not merely to enjoy the school privileges of the district. The intent of the persons involved has a rather decisive bearing upon the establishment of school residence. It must be determined from the established facts that such residence has some degree of permanency and is in good faith.

The theory generally followed in Iowa holds that a child does not need to establish a legal domicile in the school district for the purpose of school attendance free of tuition, but is entitled to attend the school of the district in which he is living, provided he lives there for some purpose other than to take advantage of the schools.

Each case involving the bona fide residence of a pupil must be decided upon its own individual merits. The school board is obligated to secure all the evidence, weigh it carefully without bias or prejudice, then render its decision upon the record of facts established, keeping in mind that all children are entitled to an education in the public schools of Iowa free of personal payment of tuition until their graduation from a four-year approved public high school or until the age of twenty-one. (282.6)

A pupil is restricted in his right to attend school free of tuition to the district of his residence, unless otherwise provided by statute. Where the law prescribes a way for a student to attend a public school free of tuition in a district other than that of his residence, the manner prescribed by the statute must be followed.

Where children have been separated from their parents, school residence becomes a fact matter that must be determined by local school authorities, subject to appeal to the county and state superintendents in Iowa.

The courts have frowned upon temporary makeshifts to avoid payment of tuition, though every reasonable doubt has been decided in favor of the child. Intent and permanency are two important factors in the determination of residence.

The Iowa Supreme Court stated: "Ordinarily, the legal residence of a minor is the same as that of his parents but a minor may have a residence for school purposes other than that of his parents. The test of residence which will confer school privileges is not the same as the test for taxation or for the exercise of the right of suffrage." The court construed "residence" to mean the place, abode, or dwelling of the person and this opinion is quite carefully followed in determining pupil residence for school purposes.

Tuition

The word tuition, as applied to schools, means "the price of instruction."

In Iowa certain salient factors are included in tuition costs and the payment of such costs:

1. The superintendent of public instruction each year determines a maximum tuition rate that may be charged for pupils in the elementary school, the junior high school and the senior high school, living in one school district and attending school in another school district. (282.20, 282.24)
2. Between July first and September first of each year each school district shall be notified by the superintendent of public instruction regarding the maximum tuition rates for that school year. (282.24)

3. No school district may legally charge a tuition rate exceeding the maximum declared by the state, but a school district may pay more than the maximum rate, "if the actual per pupil cost of the preceding year so warrants." (282.24)
4. A school district is only allowed to charge either the maximum tuition rate set by the state, or the actual tuition rate, whichever is smaller.
5. Each school district must submit its tuition rate with its computation to the county board of education not later than July thirtieth for approval. Such tuition rate is based on the costs of the previous year. No school district has any authority to collect tuition until the county board of education has granted approval. (282.20)
6. Where there is a disagreement over tuition between a school district and the county board of education the right of appeal is provided in sections 285.12 and 285.13.
7. In determining rates of tuition the following expenditures shall be included (279.18, 282.20):

General Fund

- a. Administration (General Control)
- b. Instruction
- c. Other Educational Costs–except transportation costs
- d. Operation and Maintenance
- e. Fixed Charges
- f. Capital Outlay
- g. Debt Service

Schoolhouse Fund

- a. Interest paid from the Schoolhouse Fund. (Principal cannot be included.)
- b. Depreciation on school buildings
    - (1) Two per cent per annum on the appraised value less bonded indebtedness. (This itemized appraised value was to have been determined on or before July 15, 1953 and filed with the county superintendent.)
    - (2) No depreciation charge shall be made for the portion of the initial cost of buildings and equipment purchased with federal grants.

8. Instructions as to the breakdown in tuition rates and the method used in allocating tuition costs to several divisions in a school may be found in the bulletin **Uniform Financial Accounting for Iowa Schools,** Department of Public Instruction.
9. No district is allowed to rebate to any pupils or their parents, directly or indirectly, any portion of tuition costs, or any benefit, compensation or special privilege, or anything of value that is not available to all the other pupils in its schools. (282.20)
10. The receiving district shall send an itemized statement of tuition fees to the sending district on or before February fifteenth, and June fifteenth, of each year. (282.20)

Non-Tuition Pupils

Certain children are free of tuition charge. These include:

1. All actual residents of the school district between the ages of five and twenty-one years or until graduation from high school.
2. Resident honorably discharged soldiers, sailors, and marines, as many months after becoming twenty-one years of age as they have spent in the military or naval service of the United States before they became twenty-one. (282.6)
3. Pupils who have been designated residents of a school district by a court. For example: A boy from one school district has been paroled to an uncle in another school district; or boys and girls who have been committed to the state training schools but have been placed on contract in homes in some school districts.
4. Children who are wards of guardians or other persons who stand in loco parentis. (If the ward attends school in another school district in which the person standing in loco parentis owns property on which he pays taxes, said person is entitled to an offset of the school taxes paid in said district on any tuition he is personally required to pay for his ward.)
5. Children of state employees who are residents of the school district, including minor children of alien parents.

A school board has the authority to establish and maintain evening schools for all residents of the district regardless of age and for which no tuition is charged. Temporary residents of the district and pupils outside the district may attend these evening schools upon such terms as the board may determine. (282.1)

Tuition Pupils

By Iowa statute school districts must charge tuition for the following pupils:

1. Graduates from a four-year course in any approved high school or its equivalent. This would include honorably discharged service men and women. (282.6)

2. Pupils residing in another school district.
3. Pupils who are visiting relatives in the district or are temporary residents unaccompanied by parents or guardian.
4. Non-resident pupils in boarding homes and charitable institutions licensed and operating under the laws of Iowa, in any institution under the jurisdiction of the Board of Control, or in any state supported institution in Iowa. If there is no elementary school or high school in the district maintaining the boarding school or charitable institution, the pupils may attend any approved school that will receive them. A child cared for in any state supported institution in Iowa which does not maintain a school, may attend the school in the district wherein the institution is located provided the child's domicile was not in this district before entering the institution. The tuition and transportation charges of all such children will be paid as per statute and regulation. These costs are paid by the treasurer of state, with warrants drawn by the state comptroller upon requisition of the superintendent of public instruction. Receiving districts should obtain forms for reimbursement from the superintendent of public instruction before the end of the school year. (282.18, 282.22, 282.23, 282.25, Amended 61st G.A.)
5. Pupils attending a school district that has an area vocational high school or program. The resident district pays tuition but not transportation. (282.7)

Who Pays Tuition Costs

A school board by record action may discontinue any or all its school facilities but when it does so it must designate an appropriate approved public school for attendance of its pupils. Tuition shall be paid by the sending district to the receiving district. High school pupils may attend any approved public high school they wish and are entitled to tuition but in order to qualify for transportation they must attend the school designated by the board. (282.7, 285.4)

For pupils residing in charitable institutions or licensed boarding (foster) homes, or in any institution under the jurisdiction of the Board of Control or supported by the State of Iowa, the tuition is paid by the State of Iowa. (282.18, 282.22, 282.23, 282.25, Amended 61st G. A.)

"The State Board of Regents shall pay to the local school boards the tuition payments and transportation costs for the elementary or high school education of students residing on land owned by the state and under the control of the State Board of Regents. . ." (262.43)

Opinions and Decisions Concerning Residence and Tuition

Residence—"In the acquisition of a school domicile two factors concur—actual residence and intention." If a pupil leaves his home with the intention of making his own way and making his home where he works, he is entitled to all the privileges of a resident, including free schooling but all surrounding facts must be considered to determine whether or not residence was established only for school purposes. Ltr. OAG, Feb. 19, 1937.

- The place where the occupant mainly and substantially performs those acts and offices which characterize his home, such as sleeping, sitting, eating and receiving visitors, is determined as his residence. If it is impossible to determine in which school district the occupant performs these acts and offices, then he must elect one for the purposes of taxation and school attendance and his election would be binding upon the statutory authorities in those matters. Ltr. OAG, Sept. 5, 1946.

- Residence for school purposes is not the same as legal domicile. A temporary residence, if not taken for the primary purpose of obtaining free schooling, may be sufficient for school privileges. For instance: Children residing in mobile home parks, by reason of employment of parents, are entitled to tuition-free schooling in the school district where the mobile home park is located. Ltr. OAG, Sept. 7, 1955.

State Employees—Pupils of school age whose parents are residents of the school district are entitled to free tuition even though their parents are state employees, that is, if the parents reside in the district and have no other place of residence. Ltr. OAG. Nov. 24, 1924.

School Absence—If a non-resident pupil enters school at the beginning of the school year but is forced by sickness or other reasons to be absent from school several weeks, and if he returns and makes up his work, the receiving district is entitled to full tuition. This would not apply for the part of the year in which he was not enrolled if the pupil enrolled after the beginning of the term. Ltr. OAG, Aug. 12, 1930.

Land in More than One District—A land owner may have a farm in two or more school districts. The question arises as to whether his children may go to both schools tuition free.

Residence must be determined in this case. Just where does he reside? He cannot reside in both districts so this fact question must be decided. His children are only entitled to free tuition in the resident district, and must pay tuition if they attend the school in the other district even though the farm is in two districts. He is entitled to deduct from the tuition the amount of school taxes which he pays to the tuition district. (282.2)

● A tenant rents property in two districts. He lives in one district where there is a school but sends his children to a school in another district. He must pay tuition, but if he pays any school tax in the district where his children attend school he is entitled to deduct such school tax from the amount of tuition. Ltr. OAG, Feb. 10, 1923.

School Age—A child must be five years old before or on September 15 to enter kindergarten, and six years old to enter first grade. Exceptions could be made under 282.3, subsection 6 and 7. School boards may also require a greater age than these requirements if they so desire.

● School boards may also provide programs of special education for children under the age of five who require special education as defined in 281.2. (Not to include the blind, deaf, and other physically and mentally handicapped children attending special school or institutions provided by the state.)

● A school board may set the deadline earlier but not later than September 15 for age entrance into kindergarten and first grade.

● A school board may allow a person over twenty-one to attend school tuition free if he is not a four-year graduate.
AG Report, p. 147, June 26, 1929.

Discrimination in Tuition Rate—A school corporation cannot discriminate in the rate of tuition which it charges pupils for the same school advantages whether the pupils live within the state or without the state. Ltr. OAG, May 24, 1928.

Tuition to Non-Public School—A school board cannot use the funds of a district to pay tuition to a private or parochial school. Ltr. OAG, Aug. 27, 1928.

Transportation and Tuition Where School is Closed and Board Fails to Act—A parent is not required to furnish transportation when a local board fails to do what the law requires. If there is an established bus service available, and the local board fails to provide transportation, the parent can lawfully make use of the bus service, subject to action by the county board of education. Children are entitled to the educational facilities and transportation (as per Iowa statutes) in their own district.

The local board may not escape liability for the cost of transportation and tuition if it fails to provide either the schooling or the bus service for its pupils.

● (Section 282.21 sets up the method for the collection of tuition fees. Section 285.1, subsection 13, provides the method of collection of transportation costs owing from one local board to another.) Ltr. OAG, Feb. 7, 1952.

What Constitutes a School Day—The Iowa Departmental Rules, which are based on Iowa statutes and approved by the Attorney General's Office, set up the minimum requirements as to what constitutes a school day. If the kindergarten pupils attend school two and one-fourth hours per day or one-half day, all year, full tuition may be collected. If they attend a full day every day, full tuition must be collected. However, if they attend a full day every other day, only one-half tuition can be collected.

● A school board may suspend transportation on any day or days because of inclement weather, bad roads, or other existing conditions. 285.1 subsection 8.

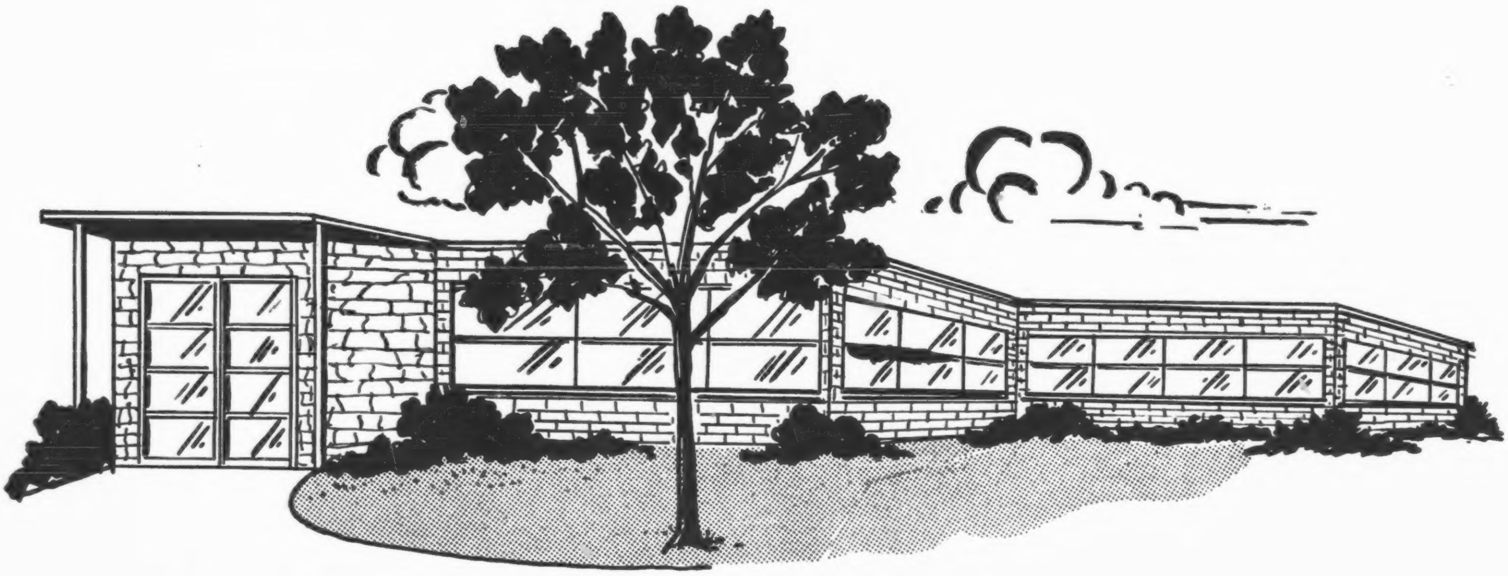
● Suspension does not mean that if one bus cannot run because of bad roads that the school shall be closed. It does mean that if all busses do not run there shall be no school. Ltr. OAG, Sept. 30, 1957.

Attending School Outside State—Section 282.8, as amended, authorizes (but does not require) local school boards in a reorganized district to designate high school and elementary pupils residing in such districts and nearer to an out-of-state school than to any school in the district or in Iowa, for attendance at such out-of-state schools with tuition and transportation paid by the reorganized district, provided a reciprocal agreement exists between the state superintendent of public instruction of Iowa and the other state involved. (282.8)

Fees for Summer School Programs—Fees may be charged resident pupils to cover instructional costs for a summer school program. This is permissive, and the school board is not required to charge such fees. In the event fees are established for a summer school program, the board may, in a hardship case, exempt a student from payment of the fees. (282.6 Amended 61st G.A.)

Chapter IX

SCHOOL BUILDINGS AND SCHOOL SITES



Inasmuch as school sites and school buildings are so closely related they will be discussed under one subject heading.

School Sites

The Schoolhouse Fund covers business concerned with capital outlay such as the acquiring of sites, the improvement of sites, and the disposal of sites. School officials should be aware that all transactions relative to school sites must be carried on through the Schoolhouse Fund and that no money can be spent from this fund without a vote of the electorate of the school district.

There are two exceptions. The board of directors of any school district which receives funds through gifts, devices, and bequests may utilize the same, unless limited by the terms of the grant. Likewise, any funds received from the condemnation, sale, or other disposition for public purposes of schoolhouses, school sites, or both may be deposited in the Schoolhouse Fund and used without a vote of the electors. (Chapter 170, Acts of 60th G. A., 279. 41)

Size of School Site

The present Iowa statute is somewhat confusing as to how much land may be acquired for a school site. Section 297.4 gives consolidated schools the right to purchase not to exceed ten acres for any one site, but the district may acquire any amount of additional land by donation. Section 297.3 allows any school district including a city, town, village, or city under special charter, to take and hold two blocks for a schoolhouse site, and not to exceed thirty acres for playground, stadium or fieldhouse, or **other purposes.** As a city block 300 ft. by 300 ft. contains 2.1 acres of ground, this would allow approximately thirty-four acres for a site for any district including a city, town, village, or city under special charter.

Any school district other than one containing a city, town, village, or city under special charter would be allowed to acquire any amount of land not to exceed ten acres for a school site. (297.2)

A school district including a city, town, village, or city under special charter may purchase more land for sites providing each site is for a different school, and it makes no difference if the sites adjoin. For example, if a district desired to build an elementary school on a site under Section 297.3, a junior high school under Section 297.3, and a senior high school under Section 297.3, it may buy two blocks plus 30 acres for each site in three different locations quite remote from each other or the district might buy the three sites adjoining each other. Ltr. OAG, June 16, 1955.

Location of a School Site

There is no Iowa law that requires a school district to submit the question of the location of a site or a school building to the voters of the district. (Section 276.25 of the Iowa Code permitted the voting on site location but this chapter was deleted by the 55th General Assembly.)

A school board may select a school site, but the site:

1. Shall be on a public highway already established or procured by the board. (A street is considered a public highway.) A school district cannot

legally acquire a site either by purchase or condemnation if it is not on some public highway. 1906 Report, p. 58.

2. Shall not be in any public park.
3. Shall not be less than thirty rods from the residence of any landowner who objects to its location, except in cities, towns, and villages. (No one but the landowner may raise an objection.) 1899 Report, p. 218.
4. Shall be as well-located geographically and for convenience as possible to all children of the district. (297.1)

A school site cannot be in a public park but many new school buildings are being located adjoining or near a town or city park so the children will have access to the park play area including its apparatus the year round. Some high school sites adjoin town parks where sports areas, swimming pools, parking areas, and picnic spaces are common to both the school and the community.

A site must be inside the district limits. The 1928 Report, p. 58, expressed the opinion that a district might maintain a school in a building outside the boundaries of its own district although it was entirely extraordinary to do so. This opinion was reversed December 16, 1955.

A school board may purchase land in more than one location. 1928 Report, p. 187. Sites for a building and for play purposes need not be contiguous. When schools were first established many were placed as near the center of the town as possible, usually on a site of one block or less with little attention being given to play spaces. With the increase of population it was necssary to make additions to these buildings which naturally reduced the play area even more. In order to provide adequate playgrounds many boards purchased or condemned property sometimes across the street from the present building, sometimes several blocks away. According to Section 297.3, as much as thirty acres may thus be obtained for a school playground providing the present site is not over two blocks in area.

● The power of the board of education to fix the location of schoolhouses and to determine the type of building to be erected is absolute, subject to statutory limitation, and is entirely independent of the control of a city council or a zoning commission of a city. This gives a board the power to locate a building in an area termed "restricted" by a council or commission. Ltr. OAG, Sept. 22, 1927.

● A school district is subject to the provisions of a city ordinance pertaining to the issuing of building permits in connection with the construction of school buildings and is required to pay the fees prescribed by the foregoing ordinance. Ltr. OAG, Dec. 21, 1950.

Acquiring School Sites and School Buildings

School sites and buildings may be obtained:

1. By bonds voted by the electors of a district at a regular election, or a special election called for such purpose. (298.21, 296.1)
2. By a schoolhouse tax voted by the people, not to exceed 2½ mills per dollar per year (278.1 subsection 7)
3. By gifts or bequests.
4. By a one-mill levy in high school districts maintaining a kindergarten through grade twelve program and having a total enrollment of 600 or more. Revenue derived must be used only for the acquiring of sites (297.5, Amended 61st G.A.) The funds from this levy must be placed in the Schoolhouse Fund. They may be expended without submission to the electors. Ltr. OAG, July 27, 1965.
5. By extended time contracts not to exceed twenty years for rental of buildings or for lease-purchase of buildings. (278.1 Amended 61st G.A.)

Bond Elections

Bonds for Buildings and Sites

An outline of the procedure for setting up a financial program is presented on pages 36, 37, and 38 of "Before You Build," published in 1953 by this department. The content of this outline is presented here with supplementary laws and rulings. Some information concerning bond election is presented elsewhere in this chapter but is included here in order to effect a sequence of thought and procedure in determining a financial program for securing sites and constructing school buildings.

Sections 75.1 and 296.6 of the 1962 Iowa Code were inconsistent as to what constituted legal passage of a bond issue. There was also confusion as to what a school district could include in a bond issue. The 60th General Assembly repealed Section 296.6 and required a 60 per cent affirmative vote on a school bond issue, which makes it consistent with 75.1. The Assembly also repealed Section 296.1 and substituted the following:

"296.1. Indebtedness authorized. Subject to the approval of the voters thereof, school corporations are hereby authorized to contract indebtedness and to issue general obligation bonds to provide funds to defray the cost of purchasing, building, furnishing, reconstructing, repairing, improving or remodeling a schoolhouse or schoolhouses and additions thereto, gymnasium, stadium, field house, school bus garage, teachers', or superintendent's home or homes, and procuring a site or sites therefor, or purchasing land to add to a site already owned, or procuring and improving a site for an athletic field, or improving a site already owned for an atheletic field, and for any one or more of such purposes. Taxes for the payment of said bonds shall be levied in accordance with Chapter 76 of the Code, and said bonds shall mature within a period not exceeding twenty years from the date of issue, shall bear interest at a rate or rates not exceeding 5 per cent per annum and shall be of such form as the board of directors of such school corporation shall by resolution provide, but the aggregate indebtedness of any school corporation shall not exceed 5 per cent of the actual value of the taxable property within said school corporation, as ascertained by the last preceding state and county tax lists.

"Any school corporation shall also be allowed to become indebted, under the above conditions, and issue bonds therefor to build, furnish, reconstruct, repair, improve or remodel and equip a **community or junior college building** and purchase a site therefor when authorized by Section 280.18 of the Code. Said proposition may be placed on the same ballot as provided in said section."

Bonding Limitations

1. Any school corporation is allowed to become indebted to a limit of 5% of the actual valuation of its district as ascertained by the last county tax. This actual valuation includes moneys and credits. Actual value is defined as one and two-thirds times the assessed value. (441.21, 407.2, 296.1)

   For example, a school district has an assessed valuation of $2,400,000, moneys and credits of $600,000, and an outstanding debt of $30,000, and wants to build an addition to the school building. To arrive at the amount for which bonds could be voted this is the procedure that should be followed:

   $2,400,000 Assessed valuation
   x 1 2/3
   ————————
   $4,000,000 Actual valuation
   600,000 Moneys and credits
   ————————
   $4,600,000 Bonding base
   x 5% Legal bonding rate
   ————————
   $ 230,000 Bonding limit
   −30,000 Outstanding debt
   ————————
   $ 200,000 Amount for which bonds could be voted.

2. The amount to be levied annually to apply on interest and principal of bonded indebtedness cannot exceed ten mills on the assessed valuation of the taxable property of the school district, unless the bonds were issued prior to 1934. This limitation does not apply to funding or refunding bonds outstanding on March 31, 1934. (298.18)

● School sites may be purchased from a school board member. This is an unusual procedure and such a transaction should be so "above-board" that no accusation of collusion as to sale and price could be justified. Ltr. OAG, April 16, 1929.

● If there is a surplus in the Schoolhouse Fund after the retirement of bonds this surplus, by a vote of the people, may be used for sites and the erection of buildings. Ltr. OAG, April 12, 1926.

● An athletic field to be used solely for interscholastic athletics cannot be built and lighted and paid for from public funds. If the site is to be purchased, its cost must come from the Schoolhouse Fund and be voted by the district. Ltr. OAG, Jan. 24, 1936.

● All transactions regarding the purchase and sale of school sites and school buildings must go through the Schoolhouse Fund. Town and rural districts are not authorized to purchase sites without a vote of the people and payment must be made from the Schoolhouse Fund, not from the General Fund. 1934 Report, p. 223 (291.13) 1938 Report, p. 210.

● Regular bonds for sites and buildings cannot be voted for more than 20 years but may be paid sooner if so stated in the bond.

● If money is on hand to pay principal and interest due yearly on bonds, this amount may be considered as paid in determining the maximum that could be bonded for buildings and sites. Ltr. OAG, Jan. 23, 1946.

● Bonds called for payment but remaining unpaid ten years after maturity are barred by the statute of limitations. Ltr. OAG, Oct. 21, 1947.

● There is no statutory time limit as to the time within which bonds must be issued after approval of the voters. Ltr. OAG Aug. 17, 1952.

Proposition

If a bond proposition specifies a "new" site or a certain site it mandates the action of the board; but if the bond proposition is general in its terms, the board could erect a building on the old site or on a new site. Suppose the proposition on the ballot is as follows: "Shall the community school district of ...., in the county of ...., and State of Iowa, issue bonds in the sum of $100,000, for the purpose of constructing and equipping an elementary building and procuring a site therefor?" Here no site is specified; neither is a new site mentioned. This allows the board the discretion of either obtaining a new site or placing the building on the old site.

Care should be taken in wording the proposition to be submitted at an election. The question should be distinctly stated. If the proposition were to erect a building then the money could not be used for a site and vice versa. If the proposition states that a building is to be erected on a certain site, then it must be placed on that site and no other.

A proposition should conform to the petition submitted by the electors. A general statement such as "to be used for the purchase of a site and the erection of a school building" gives the board a great deal of leeway and does not bind it to any particular site or building. The proposition might include "an elementary building," or a "high school building," or a "bus garage," but it should not go into detail either as to building or site.

● If electors voted for two grade schools, or an elementary school and a high school, one of these could not be started and the other delayed unless such action was on the proposition and voted by the electors. Ltr. OAG, Sept. 21, 1939.

● A proposition to sell a school site or school building and use the proceeds in a certain way is a single proposition and may be so stated on a ballot. However, if there is more than one public measure to be voted upon, they may be printed on the same ballot but as single propositions, one below another with one inch space between them. 1944 Report, p. 139.

● A school board is not required to submit a proposition to the voters to sell school property which is in use. The petition for such action may be tabled. Ltr. OAG, Jan. 7, 1952.

A school board may submit any proposition authorized by law to the voters at the regular election if a petition is presented carrying a legal number of signatures. In school township, rural independent, or consolidated districts, five signers are required on the petition; in town or city independent or community districts having less than 5,000 population, twenty-five signers; in any other city community or independent district or in any district in which registration of voters is required, fifty voters. (278.2)

A new paragraph was added to 75.1 by the Sixtieth General Assembly as follows: "When a proposition to authorize an issuance of bonds has been submitted to the electors under this section and the proposal fails to gain approval by the required percentage of votes, such proposal, or any proposal which incorporates any portion of the defeated proposal, shall not be submitted to the electors for a period of six months from the date of such regular or special election."

● The proposition must be submitted to the voters in the exact form petitioned for and must be a single proposition. OAG, June 24, 1952.

Procedure in Bond Elections

1. School boards should be cognizant of the legal limit of indebtedness of their districts, the project to be voted, and the amount of bond to cover the cost of the project. Indebtedness may be for the purposes as described in 296.1 and 298.21. This includes the purchase of furniture and equipment.
2. If bonds to be issued exceed 1¼% of the assessed valuation of the district, a petition is required. This petition must be signed by a least 25% of those voting at the last election of school officials (296.2) The petition must:
   a. Be filed with the president of the board.
   b. Ask that an election be called.
   c. State the amount of bonds to be issued.
   d. Declare the purpose for which the indebtedness is to be created.
   e. State that the project cannot be affected within the limit of 1¼% of the valuation of the district. (The board may call the election without a petition if the bond calls for a sum within the 1¼% limit.) (296.2, 298.21)
3. After receiving the petition the president of the board must within ten days call a meeting of the school board who shall in turn set the time, date, and place of the election, which may be held at a regular election. (296.3)
4. The notice of the election shall be publicized once each week for four weeks in some newspaper published in the district, or if there is none, in some newspaper published in the county and of general circulation. (296.4)
5. The form of the ballot shall be somewhat the

same as is used in submitting special questions at general elections. (296.4)

6. The bond election shall be held not less than five nor more than twenty days after the last publication of notice. (296.5)
7. A bond election for school buildings and/or sites must be approved by at least 60% of the votes cast. (75.1)

Selling Bonds

1. Where school bonds are offered for sale, the notice of sale must be published for two or more successive weeks in at least one newspaper located in the county. The time, place of sale, the amount to be offered for sale, and any further pertinent information must be included. (75.2)
2. Sealed bids may be received at any time prior to the calling for open bids. (75.3)
   Officials may call for open bids only after all sealed bids are filed. The best open bid is noted in the minutes, then the sealed bids are opened and the best sealed bid is noted in the minutes. (75.3)
3. The lowest bid may be accepted but any or all of the bids may be rejected and a new sale advertised. (75.4)
4. Bonds may be sold at a private sale but the price may not be more than the most favorable bid made at the advertised sale. (75.4)
5. No bonds may be sold at less than par plus accrued interest. (75.5)
6. No commission may be paid in connection with the sale of school bonds. The only allowable expenses are those incurred in advertising. (75.6)

Retiring Bonds

1. School bonds may be issued for a term of years not exceeding twenty years from date of issue. (298.22, 76.1)
2. Bonds may be paid before the retirement date if so nominated in the bond. (298.22)
3. The bonds must be numbered serially and must mature serially as numbered. (76.1)
4. Bonds subject to redemption may be recalled by giving the owner a written notice thirty days in advance. If the bond is not presented for redemption the interest on the bond ceases (298.23) All redemptions must be made in order of their numbers and a record must be kept. (298.24) (Interest terminates thirty days after notice.) Bonds are redeemable at any time from maturity until the statute of limitations—ten years—makes them void. (614.1, subsection 6) Ltr. OAG, Oct. 21, 1947.
5. The rate of interest on bonds shall not exceed 5% per annum, payable semiannually. (298.22)
6. School bonds shall be registered in the office of the county auditor. (298.22)
7. Issues of public bonds of every kind and character by school districts shall be issued in amounts of $100 and multiples thereof not to exceed $10,000. (This was an addition to Chapter 75 by the 1963 legislature and takes precedence over what is said in 298.22.)
   The maximum of $10,000 also applies to the funding and refunding of bonds. (346.1 and 408.2)
8. Bonds must be signed by the president of the board and countersigned by the secretary. (298.22)
9. The expenses of printing and engraving bonds may be paid from the General Fund. (298.22)
10. By board resolution, funding or refunding bonds may be issued to meet school district indebtedness. (298.20, 75.9)
11. Where a school has on hand certain funds that were derived from any other source than taxation, these funds may be used to pay the principal and interest on bonds thus reducing the levy for the payment of the bonds. (76.4)
12. Bonds are retired by means of levy which is made annually until the bonds are paid in full. (76.2)

Bonding Rates

Bonding companies usually set up a schedule whereby the combined annual principal and interest payments are fairly constant. The following table should be of some value to school districts that plan bond issues:

Bond Payments

Length of Bond Issue	2%	2½%	3%	3½%	4%	4½%	5%
10 Years	.1113	.1143	.1172	.1202	.1233	.1264	.1295
15 Years	.0778	.0808	.0838	.0868	.0899	.0931	.0963
20 Years	.0612	.0641	.0672	.0704	.0736	.0769	.0802

To learn the amount of money necessary each year to pay the principal and interest on a bond issue, multiply the amount of bond issue by the appropriate figure from the table above. Interest rates other than those mentioned in this table can be interpolated to approximate values.

For example: A $300,000 bond issue is to mature in 20 years at 3½% interest rate. The annual payment could be determined by multiplying $300,000 by .0704 which would give $21,120, the approximate amount due each year for twenty years for interest and payment on the principal.

Bond Elections in Newly-Formed Community Districts

The question is often asked: "How soon after a newly-formed community district becomes effective may an election be held to vote bonds for sites and buildings?" Section 296.2 states that a petition must be presented to the board signed by twenty-five per cent of those voting at the last **regular** school election.

Section 277.1 defines a "regular" election as one held annually on the second Monday in September, except in school districts containing a city of 125,000 population or more. Thus, if a new community district went into effect on July 1st, there would be no "regular" school election until the second Monday in September of the following calendar year.

The election of the first board of directors in a new community district is designated as a "special election" (275.25) and therefore does not qualify as a "regular" election. After the "regular" election in September, it can then be determined how many residents voted at this "regular" election, and a petition for a bond issue for sites and buildings can then be presented by twenty-five per cent or more of qualified voters.

Condemnation

If a school board desires some real estate for a site or a school building, and the owner of the property is dead, or unknown, or if he refuses to sell or if the board thinks the asking price is unreasonable, then the board may take the property under condemnation proceedings as described in Chapter 472. (297.6) Proceedings in Iowa school districts are conducted by the county attorney. However, he is under no duty to represent the board **on appeal** and is entitled to be paid the same as any other attorney for services in connection with condemnation appeals.

Options

A board may take an option on a site but it has no authority to give consideration for such option. An option without consideration is not binding. An option with consideration is a binding priority of purchase. The statutes give authority to purchase sites but no authority to purchase priorities.

Borrowing Money

A school board is not authorized to borrow money for buying a site, erecting a schoolhouse, or any other purpose. Neither is there any statutory authority that allows electors to vote on borrowing money. Ltr. OAG, June 23, 1927.

Renting

If there is no schoolhouse and if there are at least ten children needing a schoolhouse, a board may rent a room and employ a teacher. (297.12)

⊖ The board of supervisors has the authority to lease or to sell buildings that are no longer needed for county purposes and school districts have the authority to buy or lease them. 1932 Report, p. 231.

● A board may not lease a temporary site and remove a building from a permanent site to the temporary site. 1928 Report, p. 293.

⊙ There is no provision in the statute for loaning school property to any person or organization. Ltr. OAG, Oct. 19, 1929.

● A school board does not have the power to rent a room of a schoolhouse under their supervision to a parochial school. 1928 Report, p. 146.

A school board may authorize the use of its school property for the purposes of meetings of:

1. Granges
2. Lodges
3. Agricultural societies and similar rural secret orders and societies
4. Parent-Teacher Association
5. Community recreational activities
6. Public forums and similar community groups—providing any group does not hold views that are in conflict with the republican form of government as set forth in the Constitution of the United States.

The board may also authorize the use of its school property for election purposes and for meetings of public interest.

The use of school property by "outside groups" must not interfere with school activities.

The board may fix the terms and conditions and compensation for the use of school property. (297.9)

All moneys received from the rental of a school building shall be paid into the General Fund and expended for upkeep and repairs of the building and grounds and the purchasing of supplies. (297.10)

Long-Term Lease

The 61st General Assembly added a new subsection to Section 278.1 which permits school boards, with the approval of sixty per cent of the voters, to rent buildings to supplement existing schoolhouse facilities. When it is deemed desirable for buildings to be constructed or placed on real estate owned by the school district, the contract may include lease-purchase option agreements, such amounts to be paid out of the Schoolhouse Fund.

Before entering into a rental or lease-purchase option contract authorized by the electors, the board must first adopt plans and specifications for the building or buildings and also adopt a form of rental or lease-purchase option contract. Bids must be invited by advertisement published once each week for two consecutive weeks in a newspaper published in the county in which the building or buildings are to be located.

The rental or lease-purchase option contract must be awarded to the lowest responsible bidder, but the board may reject any and all bids and advertise for new bids.

The voters at a regular or special election have the power to vote a schoolhouse tax not exceeding five (5) mills on the dollar in any one year providing for lease-purchase option of school buildings.

● With the addition to Section 278.1 by the 61st General Assembly, the statutes now contain two references for authority to rent. Section 278.1 deals with the rental or lease-purchase of buildings. Section 297.12 provides for the rental of a classroom. Section 278.1 provides for long-term leases, Section 297.12 does not. The intent of the General Assembly is clear. If rental of buildings is involved, or if the rental is to be for an extended period of time (up to twenty years) the approval of the voters is required. If only a classroom is to be rented this may not be for an extended period.

● A school district cannot purchase a schoolhouse site or land for an athletic field on a contract covering a period of years. Ltr. OAG, June 23, 1959.

● The board cannot lease a building for basketball unless required school activities such as physical training are also carried on in the building. The board does not need to submit the proposition to the voters. Ltr. OAG, Nov. 30, 1954.

● Neither 274.7 nor 297.12 authorizes a board of directors of a school district to lease equipment or to enter into a lease-purchase agreement for equipment. This does not apply to school busses. 285.10 (3) Ltr. OAG, March 7, 1962.

● A school board has no power to lease land for school purposes as lessee. Ltr. OAG, August 17, 1964.

● A county board of education or the board of directors of any school district is authorized to rent appropriate buildings for use of children requiring special education, with the approval of the State Department of Public Instruction. Ltr. OAG, March 16, 1964.

● The board of directors of a school district cannot enter into a contract for rental of classrooms with a parochial school because of the prohibition of Section 343.8 that no public moneys can be appropriated to any sectarian institution. Ltr. OAG, August 23, 1963.

Supplementary Bond Data

There is nothing in Iowa law that demands that a school board must employ an architect, but if an architect is employed he must have a certificate of registration. (118.6)

● After bonds have been approved by the qualified voters of a school district, there seems to be no hard and fast rule as to just when they should be issued. Section 296.6 states nothing as to the time of issuance. Some issues have been delayed several months; others several years. It might be argued that bonds should be issued within a "reasonable time" after they have been voted, but who can determine what a reasonable length of time is? Changing conditions may justify the delay of issue, but justifiable delay is a fact rather than a law. Ltr. OAG, August 17, 1952.

Callable bonds are bonds that can be paid at the option of the issuing school district but are due and payable absolutely twenty years from date. This arrangement gives a district the option of redeeming bonds before maturity, but very few such bonds are called before maturity. These bonds are higher priced than term bonds without the option feature; therefore, very few schools request them. The statute of limitations applies to these bonds after maturity rather than after the callable date.

● Architect's fees can be paid from the proceeds of a bond issue. Such fees are considered as part of the cost of construction of a building and should be paid out of the same fund as a building. Ltr. OAG, Feb. 4, 1929.

- A school board may employ an architect to make preliminary sketches and present informative data, and if the bond issue fails the costs may be paid out of the General Fund. Ltr. OAG, Nov. 19, 1953. It is advisable that no final plans or blue prints be prepared until a vote of the people assures the construction of a building. Certainly a school board needs the advice and aid of specialists in planning for school sites and buildings and has the power to obtain such service and pay for it.

- If a bond issue fails the fees of the bond attorney may be paid from the General Fund providing his services were in the public interest rather than the interest of a bonding company or the bonding attorney himself. His services as to public interest would center about such questions as to the amount of bonds the district could sell, the type of proposition to be submitted to the voters, and the manner in which the sale of bonds must be conducted. Ltr. OAG, Oct. 14, 1954.

- Bonds of every kind shall be consecutively numbered, and shall be retired by twenty years from date of issue. The bonds shall be retired in the order as numbered. Each year a levy must be made to cover the interest and enough of the principal so all the bonds may be retired by the end of the twenty year period. Ltr. OAG, July 2, 1927.

- No expense shall be paid by a school board for the sale of bonds except the expenses incurred in advertising such bonds for sale. A company has no right to charge a fee for the examination of a bond. Ltr. OAG, July 8, 1930.

- A board of directors of a school district has no power to issue bonds for anything but cash and the proceeds of the bonds must be deposited in a bank under provision of the statute. Ltr. OAG, July 3, 1950.

- A school board has no authority to pay a service fee for the collection of interest on bonds. Ltr. OAG, Dec. 21, 1935.

- School district funds which have been created by a vote of the people may be invested in U.S. government bonds or may be placed on time deposit.

Interest income on such investments should be credited to the Schoolhouse Fund and should be used for retiring indebtedness of the district. See 453.7 to 453.10; also Chapter III in this Manual.

Schoolhouse Tax

A two and one-half mill tax on the dollar may be voted for the purchase of sites, construction of school buildings, the payment of debts contracted for the erection of schoolhouses, procuring libraries for schoolhouses, and opening roads to schoolhouses, but this tax cannot be used for interest on bonds. (278.1, subsection 7)

- This two and one-half mill tax may be voted at a regular election or a special election called by the board. No petition is necessary. (277.2) There is no limitation upon the number of years such a tax may be voted. Supreme Court Case, Iowa Reports, Volume 241, p. 230.

- A schoolhouse tax may be voted for any term of years. Where the voters of a school district have voted a two and one-half mill schoolhouse tax for a term of years this tax cannot be terminated or modified during the term stated except at a regular election, or a special election called for that purpose. (278.1, subsection 7) Iowa Reports 1949-1950, p. 230.

- The power to levy the schoolhouse tax continues for the period of time authorized by the voters even though the boundaries of the district may change. One exception to this is the reorganizing of a school district pursuant to Sections 275.12 to 275.23. The schoolhouse levy would continue after a change in boundaries authorized in Section 274.37 or in the case of a merger under Section 275.40. (278.1(7) Amended, 61st G.A.)

Under Chapter 278.1 subsection 7 a schoolhouse tax not exceeding 2½ mills on the dollar in any one year:

a. Can be voted at the same time as a bond issue. (275.32) Ltr. OAG, Oct. 5, 1959.
b. Can be used to buy ground for the storage of busses, but it cannot be used to build a bus garage. Ltr. OAG, March 5, 1962.
c. Cannot be anticipated until actually levied. Ltr. OAG, Aug. 1, 1958.
d. Cannot be used for repairing a school building. Ltr. OAG, July 8, 1959.
e. Cannot be used to purchase a home for a school superintendent. AG Report, 1958. The question of purchasing a home as school property even though the purchase price does not exceed 1¼ per cent of assessed value of property in the district is required to be submitted to electorate. Ltr. OAG, Aug. 17, 1964.
f. Cannot be used on a contract of years. This tax may be terminated anytime by the electors. Ltr. OAG, Aug. 10, 1954. The district cannot purchase property on a ten-year lease and pay from receipts of a 2½ mill levy each year. Ltr. OAG, Oct. 10, 1954.

g. Must be spent according to the proposition voted upon. No further vote of the electors is necessary. Ltr. OAG, Nov. 21, 1956.

h. Becomes void when the district becomes part of a newly-organized district. Ltr. OAG, Dec. 11, 1957. But note the previous discussion on this. This opinion applies only to districts brought about under Sections 275.12 - 275.23.

Gifts

There are two conditions under which money in the Schoolhouse Fund may be spent without a vote of the people:

1. "The board of directors of any school district which receives funds through gifts, devises, and bequests, may utilize the same, unless limited by the terms of the grant, in the General or Schoolhouse Fund expenditures." (Passed by the 60th G. A.)
2. 279.41 Any fund received from the condemnation, sale, or other disposition for public purposes of schoolhouses, school sites, or both schoolhouses and school sites may be deposited in the Schoolhouse Fund and may, without a vote of the electorate, be used for the purchase of school sites and/or the erection or repair of schoolhouses as ordered by the board of directors of such school district, provided, however, that the board shall comply with Section 297.7.

Money derived from the sale of sites and buildings and money donated for sites and buildings should be deposited in the Schoolhouse Fund. Other money derived from sales and donations or gifts should be placed in the General Fund.

● School boards may accept gifts including real and personal property. Before title is passed the board must formally accept the gift, and after acceptance the conditions of the bequest must be followed. (565.6)

◎ A school board may accept gifts but it cannot obligate itself to follow conditions that are unauthorized by statute. Ltr. OAG, Nov. 8, 1929.

● If land is bequeathed to a school district, it becomes (after acceptance by the board) in the same status as other school sites and cannot be sold without authorization of the electors (278.2), irrespective of the terms of the will. Ltr. OAG, Aug. 22, 1945.

◎ If gifts or money are bequeathed for other purposes than site and building, they may be allocated to the General Fund and used at the discretion of the board providing the conditions attached to such gifts are followed.

● If a town is entirely within a school district, and there is a public square or plat of ground which has been dedicated or deeded to the town, by petition and vote, this area can be transferred to the school district for a public schoolhouse or for play spaces connected with such schoolhouse. The proposition must be voted on by the electors and must carry by a two-thirds majority of the votes cast. (409.46, 409.47)

One Mill Levy

School directors in any high school district with an enrollment of six hundred or more and maintaining a kindergarten-through-grade-twelve program may certify a one mill tax to the board of supervisors to be levied for the purchase of sites only. (297.5, amended 61st G.A.)

The amount of one mill must be certified to the board of supervisors at the regular July meeting or at a special meeting called for that purpose between the time designated for such regular meeting and the third Monday in August. The levy applies only to the purchase of sites and does not include buildings. (297.5, amended 61st G.A.)

Playgrounds

The voters in school districts containing or contained in any city may authorize a one-half mill levy for the establishment and maintenance of recreation places and playgrounds without charge to the residents of the school district. Chapter 300.

A board may establish and maintain a playground for children during the summer months without special authorization by the voters, and the cost can be paid out of the General Fund. 1930 Report, p. 335. However, Chapter 300 authorizes school boards in school districts containing or contained in any city to set up public playgrounds and recreation spaces through a half-mill tax levy and this levy shall be in effect until it is terminated by a vote of the district electorate. The proposition shall carry by a majority vote at a regular or special election. The proceeds of this levy are handled through the Schoolhouse Fund.

Disposal of School Sites and Other Property

An independent or community school district having within its boundaries part or all of a city acting under a special charter, and having a population of fifty thousand or more, may rent, or by a unanimous vote, pass a resolution to sell any school site, or school building or other school property when the board thinks it would be for the best interests of the district. (297.22)

All other school districts may sell, lease or dispose of all, or part of a school site or a school building of a value not to exceed:

1. Two thousand five hundred dollars in a high school district with an average daily attendance of two hundred pupils or less the preceding year.
2. Five thousand dollars in a high school district with an average daily attendance of more than two hundred but less than five hundred pupils the preceding year.
3. Ten thousand dollars in a high school district with an average daily attendance of five hundred or more pupils in the preceding year.
4. Five hundred dollars in a school district having no high school.

If the value of property in any of the aforesaid districts exceeds the stated value, the approval of the voters is required.

Before any board can sell real estate it must give consideration to these procedures:

1. Have it appraised by three disinterested resident land owners appointed by the county superintendent.
2. Advertise for bids for two consecutive weeks in some newspaper having general circulation in the district. (297.23)
3. No bids may be accepted by the board prior to two weeks after the second publication nor later than six months after the second publication. (297.24)
4. The board may decline all the bids if it thinks such bids are inadequate.

Disposing of Rural School Property

Rural sites and schoolhouses may be sold either by a vote of the electors or without an election if the school has been closed two years or more for reasons other than lack of pupils in the district.

No matter which method is used the owner of the land from which the school site was taken has priority to purchase the school site.

The procedure to be used is similar to that of other districts:

1. Have a conference with the owner of the land from which the school site was taken to determine whether he desires to buy the site and how much he will pay for it.
2. If the school board and the owner cannot agree as to the price for the site, a written request of either party should be filed with the county superintendent to appoint three disinterested voters of the county to appraise the property. The request should ask that the school site and buildings be given separate appraisals. (297.16)
3. Three appraisers who are disinterested voters in the county will be appointed by the county superintendent. The school board and the owner of the land will be notified by the county superintendent of the time and place of appraisement. (297.17)
4. The appraisers shall perform their duties at the specified time and place and file their report with the county superintendent. (297.18)
5. The board is required to sell the site to the owner of the land if he is willing to pay the appraised value. The building may also be sold to the owner of the land at the appraised value but the school district is not required to do so.
6. The owner has twenty days to buy the school site. If he fails to purchase the tract, the board may sell the site and the buildings to any person for the appraised value or the board may sell at public sale, and buildings and site may be sold separately. (297.19, 297.20)
7. If the site is not sold to the owner:
   a. The board shall direct the secretary to publish a notice in a newspaper of general circulation in the district that the school building and site will be sold. This notice should state the appraised value, that sealed bids will be taken, and the time and place such bids will be opened and considered by the board. The notice should also state that at the specified time and place, the board will open and announce the amount of bids, and will then sell the property to the highest bidder if such bid is equal to or above the appraised value, or will then and there cause the property to be auctioned, bidding to start at the amount of the highest sealed bid.
   b. Proceed as stated in the notice.
   c. All procedures taken in disposing of the site and buildings should be made of record in the minutes of the board.

Miscellaneous Data on Disposal of School Property

● Payment for school property must be made in cash. No mortgage on real estate may be accepted. The authority to sell does not give authority to accept

7

anything but cash in settlement for property. Ltr. OAG, August 18, 1932.

- A school board or the voters of a school district have no authority to dispose of school property except for adequate consideration. Ltr. OAG, Feb. 20, 1940.

- If a school board has been authorized to build a new school building it has the power to tear down an old building and use the material in a new building without a vote of the electors. Ltr. OAG, April 17, 1931.

- A school board may sell improvements on a site to the owner at a price mutually agreed upon, or it may sell to the owner at a price higher than the appraised value. The landowner has no equity in improvements placed on the site with public funds. Ltr. OAG, Oct. 28, 1954.

- A school board has no authority to wreck and abandon a school building without a vote of the electors of that school district. Ltr. OAG, April 5, 1939.

- A school board cannot sell a school building or site to a city for $1.00. It should be voted on at a regular election rather than a special election. Ltr. OAG, Dec. 3, 1959.

- Under 278.1 (2) and 277.2, a school board has authority to dispose of urban school property without reference to Code Chapter 297, but such disposition can be made only for adequate consideration, and the sum of $1.00 is ordinarily classed as "nominal" rather than "adequate." AG Report, 1960.

- School board of directors can accept best bid received pursuant to Section 297.24, although it is less than appraised value, if the bid is deemed adequate. Ltr. OAG, August 17, 1964.

- A school board has six months during which it can seek the best bid for property advertised for sale. Ltr. OAG, August 7, 1964.

Care and Use of School Property

Power of the School Board

The school board can make its own rules regarding the care of school sites, buildings, and other property and for the government of directors, officers, pupils, and teachers, providing such rules and regulations are reasonable. (279.8)

- The control and management of a school building is placed exclusively with the board of directors of the school district and cannot be voted or delegated to any other agency. Ltr. OAG, May 17, 1937.

- A school board has the power or authority to move a building from one part of the district to another without a vote of the electors. 85 N.W., 2nd, p. 540, Supreme Court Case.

- No one has the right to demand the free use of a gymnasium or auditorium or other school facility, but a board may authorize its use at any time that such use does not interfere with regular school activities. Ltr. OAG, June 19, 1935.

- There is no liability upon the school district or members of the board for any injuries that may occur while the building was rented, whether the authority had been granted by the electors or not. Ltr. OAG, Feb. 1, 1930.

- A board may wreck an old building and use the material on a new building providing a new building was authorized by a vote of the people. Ltr. OAG, Apr. 17, 1931.

Religious Use

The use of a schoolhouse for religious purposes seems to be very limited. The limitations are pointed up in many court cases and opinions.

- A school district is constitutionally prohibited from permitting the use of school classrooms for religious instruction of pupils. Ltr. OAG, April 30, 1965.

- If a school were to permit religious instruction to be given in a school building by any religious sect, the school would not be entitled to public aid. Ltr. OAG, Nov. 10, 1942.

- A school board does not have the power to rent a room of a schoolhouse under their supervision to a parochial school. 1928 Report, p. 146.

- There is no statute that allows a school board to loan or rent school property to a parochial school. Ltr. OAG, Oct. 19, 1929.

- Public school busses and private school busses cannot haul each other's pupils on an exchange basis. Ltr. OAG, Feb. 11, 1946.

Community Use

The electors of a school district have the power at the regular election to instruct the school board to use, or not to use, the school building for meetings of public interest. (278.1)

- The school board may grant the use of a school room to the community for public library purposes unless the electors of the district had voted otherwise. 1910 Report, p. 57.

● The school board or the electors of a school district have no authority to authorize the use of school buildings for public or private dances not connected with school activities. School buildings may be used for meetings of public interest, and this applies to all types of school districts. A public dance is not considered a matter of public interest. 1932 Report, p. 208.

● A community center may be located on a school site or as a part of a school building with the consent of the school board and may be operated and maintained as agreed upon between the city council and the school board. (374.5)

Trespass-Mischief

There are severe penalties provided for any person who maliciously defaces, injures, or destroys school property. Chapter 714.

Closing of Schools

A school board may close a school and arrange for educational facilities elsewhere in an approved public school. A school board can close any school without an election of the people. (282.7)

Other Statutes and Opinions Relating to School Sites and Buildings

Statutes which have remained in force for many years provide that school boards are required or authorized to:

1. Set out twelve shade trees on each schoolhouse site where such trees are not found. (279.38)
2. Provide two separate water closet buildings on each schoolhouse site that is not within an independent or community city or town district. (279.37)
3. Build and maintain all the fences between a school site and adjoining cultivated or improved land and see that no barbed wire is used within ten feet of any school grounds. (297.13, 297.14) 1912 Report, p. 138. This fence belongs to the school district and may be sold when the site and the building are sold.

   A lawful fence is described in Section 113.18. If the owner of the ground adjacent to a school site has it fenced hog-tight, the schoolhouse fence must also be hog-tight. 1912 Report, p. 658.

Provisions of more recent statutes and interpretations of statutes are that:

1. School districts must follow standards and specifications in the construction of school buildings and facilities to insure that the buildings and facilities are accessible to and functional for the physically handicapped. (S. F. 352, Acts of 61st G.A.)
2. The board of education of a new school district created by merger, boundary change, or reorganization may not levy taxes for playground of a schoolhouse unless so authorized by the electorate in the new district. Ltr. OAG, June 25, 1964.
3. Bonded indebtedness, upon approval of the voters, for the cost of building a bus garage is permitted. The General Fund may not be expended for this purpose. Ltr. OAG, May 5, 1964.

● A city council may close a street during any portion of a school day as a safety measure for the protection of children, and the city is not liable for any damages, providing it erects a sufficient barrier to warn the public that the street is closed. Ltr. OAG, Dec. 5, 1930

○ A school district is liable for the improvement of streets such as oiling, graveling, and paving, and the assessments should be paid out of the General Fund. Ltr. OAG, July 12, 1935.

● A school board has no authority to give abandoned buildings and grounds to a city without a vote of the electors. Ltr. OAG, Feb. 20, 1940.

● School districts are quasi-municipal corporations of the most limited power known to the law and are subject to city ordinances pertaining to building permits and fees. AG Report, 1950, p. 201.

● A board must pay for an assignment against school property for the cost of a sanitary sewer. This is paid from the General Fund by board resolution. Ltr. OAG, Sept. 7, 1955. (District cannot contribute its funds for the aid of a city or town sewage extension.) Ltr. OAG, May 19, 1962.

Construction of a School Building

Architects

There is no Iowa statute requiring a school board to employ an architect but if one is employed and if he practices architecture in Iowa, he must be registered under the title "Architect," and each member of the firm must be registered. (118.6)

● An architect's fee is based on the original cost of the building. Where a change of materials must be made to meet lawful specifications and these materials are higher priced than the original ones, an architect cannot charge on the extra cost. He is supposed to know legal materials when he signs the contract. Ltr. OAG, Jan. 28, 1958.

Contracts

1. Plans and specifications and a proposed form of contract must be adopted for any public improvement costing five thousand dollars or more. A hearing must be held on such plans and specifications. Notice must be given in at least one newspaper of general circulation at least ten days before the hearing. (23.2)
2. The method of caring for objections and appeals is discussed in Section 23.3 to Section 23.16.
3. Before erecting a schoolhouse the school board shall consult with the county superintendent as to the most approved plan and secure his approval of the plan submitted. (297.7)
4. If the cost of repairs or the building exceeds five hundred dollars for one-room schools, or two thousand five hundred dollars for schools of more than one room, bids must be advertised once each week for two consecutive weeks in some newspaper published in the county. (297.7)
5. The contract shall be awarded to the lowest responsible bidder, or any or all the bids may be rejected and advertisement made for new bids. (297.7)
6. Advertisement for bids shall not apply when emergency repairs costing more than two thousand five hundred dollars are necessary in order to prevent the closing of school. The county superintendent must issue a certificate of emergency before such repairs can be made. (297.8)
7. Contractors cannot make payments of any kind in order to obtain a contract, neither can they make arrangements with other contractors to lessen the competition in bidding. (553.23)
8. The contents of bids cannot be divulged except as provided by law. (72.3, 72.4)
9. a. A contractor must provide a surety bond when the contract exceeds one thousand dollars. A bond may be required if the contract is of a lesser amount. (573.2, 573.3, 297.7)
   b. The bond must not be less than seventy-five per cent of the contract price, except that if the contractor receives no pay until after the completion of the contract, the bond may be not less than twenty-five per cent of the contract price. (573.5)
   c. The provisions of bonding are listed under Section 573.6.
   d. Money or certified checks and other securities may be deposited and held in lieu of a bond.
   e. Contracts cannot be made which contemplate expenditures in excess of that authorized by law. (72.1)

   Contract bonds help to eliminate incompetent or dishonest contractors from bidding. Surety companies do not issue bonds to contractors who have a bad reputation.

After a bond is voted and issued and a building has been contracted for, there might be more funds available than will be necessary to pay the contracts. The question may arise as to whether or not the school board could effect change orders in the building contract to include an extra classroom or two, or some other facilities. This might be done if the cost of the additional construction does not exceed two thousand five hundred dollars. See Section 297.7 for procedure if the cost exceeds two thousand five hundred dollars for buildings of more than one room.

Legal Requirements for Bidding

The 1961 legislature added a section to Chapter 23 of the Iowa Code which provides for legal procedures concerning bidding when the estimated total cost of construction, erection, demolition, alteration, or repair of any public improvement exceeds five thousand dollars.

a. The board must advertise for bids by two publications in the county newspaper where the work is to be done.
b. The first publication must be not less than fifteen days prior to the date set for receiving bids.
c. Work must be let to the lowest responsible bidder submitting a sealed proposal. All bids may be rejected if not satisfactory and new bids requested.
d. All bids must include (in a separate envelope) a certified check or money as per the amount advertised—not less than 5 per cent nor more then 10 per cent of the estimated cost of the work.
e. Checks of unsuccessful bidders must be returned as soon as the successful bidder has been selected.

This section does not apply when the contracting procedure is provided for in another provision of the law.

Recommended Procedure for Letting of Bids

The procedure for letting of bids for school buildings is very important and, if followed correctly, will contribute greatly to understanding and harmony to all concerned. Perhaps the following suggestions will be helpful to school officials who are engaged in school building contracts:

1. There should be at least six bidders.
2. The general contractor should have from two to four weeks for the preparation of his estimate and the closing of his bid—a minimum of two weeks for small projects and from three to four weeks for large projects.
3. There should be a definite time and place stipulated for receiving bids. Tuesday through Friday between 2:00 p.m. and 4:00 p.m. is a good time. Bids should not be let on a holiday or the day after a holiday.
4. Bids by telephone or telegraph should not be considered.
5. Bids not filed on time should not be considered.
6. Bids should be opened in public and read publicly, if possible.
7. The contract should be awarded to the lowest responsible bidder.
8. Action on bids should be within five days but at least within ten days.
9. Bid security should be in round figures rather than by percentage but at least should amount to five to ten per cent of the estimated total cost of the project.
10. Alternate bids should be limited to major items, and no alternate bids or special instructions should be issued subsequent to seven days before the bidding date.
11. The contractor, rather than the owner, should purchase the building materials.
12. If all the bids are rejected and new bids are requested, the original bidders only should be invited to bid.
13. Building should be done by contract rather than day-labor operators.
14. Checks or money deposits of unsuccessful bidders should be returned immediately after the successful bidder in named.
15. The general contractor should get written authority before going ahead with extra work or change orders.

Contract Bonds

There are two types of contract bonds that might be given contractors in erecting and completing school buildings:

A. **Performance Bond.**

This is a guarantee to the owner that the contractor will fulfill all terms and conditions of his contract and if the contractor should default the bond will protect the owner's interest up to the bond penalty.

B. **Labor and Material Bond.**

This bond protects the owner from claims of suppliers of labor and material used by the contractor in performing his contract.

It is advisable to have the protection of both bonds. These separate bonds are issued by companies as a "package" and there is no additional premium because of the separate bonds. It is recommended that each bond be written for 100% of the contract price.

These bonds should continue to be in effect throughout the duration of the contract—two years after final acceptance for the performance bond, and one year after final acceptance for the payment bond.

The statutory powers vested in a school district to make a contract for the construction of a school building contemplate a completed building for which a fixed amount will be paid. Chapter 573A provides for the termination of a contract for constructing or repairing a school building when a national emergency has been declared, and it prescribes procedures and settlements for such termination.

● Contracts based on bids made by mistake are not enforceable. 1912 Report, p. 735.

● Where a bidder's check is lost there is no liability on the school district. The district should not furnish a bond to protect the drawee bank. Ltr. OAG, Dec. 2, 1925.

● Surety bonds are required of a contractor when the contractor price equals or exceeds one thousand dollars, and may be required for a contract price lower than one thousand dollars. A deposit may be made in lieu of a bond. A school board has no authority to pay the costs of a surety bond. Ltr. OAG, July 21, 1936.

Insurance While Building

Many school boards do, and should, take a builder's risk policy covering a school building in its process of construction. Policies may vary as to coverage, and time and amount of premiums, but most school boards prefer a regular policy, the same as would be written if the buildings were completed, and premiums rated according to the completion process of the building. This policy should cover vandalism along with other coverages.

A school building contractor should carry liability insurance on persons, property and automobiles. In actual practice many school boards also carry liability insurance during the erection of a building, usually in the form of a rider on their regular liability policy.

In a majority of building contracts the insurance during construction is as follows:

Owner provides and pays for:

A. Fire insurance with entended coverage, including vandalism and malicious mischief upon the entire building. The amount of insurance should be 100 per cent of the insurable value (as provided under a Builder's Risk Completed Value Form Policy).

B. Owner's Contingent Liability Insurance for damages because of bodily injury including death.

Contractor provides and pays for:

A. Contractor's Liability Insurance (Comprehensive, General and Automobile Bodily Injury and Property Damage Form Policy).

B. Workmen's Compensation and Employer's Liability.

C. Owner's Contingent Liability Insurance. This may be specified to be purchased by the Contractor. (See Paragraph "B" above)

Payments to Architects and Contractors

The architect is to be paid as agreed upon in the contract between the architect and the school board.

The amount and time of payments will vary according to the agreement stated in the contract. Usually the architect is given partial payment upon the completion of the schematic design of the work, the design development phase of the work, and the completion of working drawings or award of contracts. Final payment is made after the completion and final acceptance of the building.

The contractor is usually paid monthly for 90 per cent of all labor and materials incorporated in the project plus 90 per cent of all materials suitably stored on the site. Payment of the final 10 per cent should be made thirty days after final acceptance of the building.

A school board has the right to pay a contractor before a building is completed but under certain stipulations. See Section 573.27.

The Standard Form of Agreement Between Owner and Architect

There are several types of contracts that might be considered between the owner and the architect but the one that is universally accepted is the one recommended by the American Institute of Architects when a percentage of the cost of the work forms the basis of payment. Sections of this form might be eliminated or modified as agreed upon by the owner and architect. For example, Article 7, Direct and Reimbursible Expense, is often eliminated or modified in Iowa contracts. Following is a replica of the recommended contract:

THE AMERICAN INSTITUTE OF ARCHITECTS
AIA DOCUMENT
SEPT. 1963 ED.

THE STANDARD FORM OF AGREEMENT BETWEEN OWNER AND ARCHITECT

ON A BASIS OF A

PERCENTAGE OF CONSTRUCTION COST

THIS AGREEMENT

made this day of in the year Nineteen Hundred and

BY AND BETWEEN

hereinafter called the Owner, and

hereinafter called the Architect

WITNESSETH,

that whereas the Owner intends to

hereinafter called the Project,

NOW, THEREFORE,

the Owner and the Architect, for the considerations hereinafter set forth agree as follows:

ARTICLE 1. THE ARCHITECT AGREES TO PROVIDE PROFESSIONAL SERVICES FOR THE PROJECT AS HEREINAFTER SET FORTH.

ARTICLE 2. THE OWNER AGREES TO PAY THE ARCHITECT AS COMPENSATION FOR HIS SERVICES:

2.1 For his basic services (%) of the project construction cost, hereinafter referred to as the Basic Rate, the work to be let under a single lump sum contract.

2.2 For work let on a cost-plus-fee basis, increases the Basic rate to per cent (%).

2.3 For work let under separate contracts, increase the Basic Rate to per cent (%).

2.4 For Additional Services defined in Article 4 hereinafter, ( ) times the Direct Personnel Expense as defined in Article 7.1 hereinafter.

In computing Direct Personnel Expense principal's time shall be computed at $ per hour, and employees' time shall be at their regular rate of pay plus normal benefits.

2.5 Reimbursable expense as defined in Article 7.2 hereinafter to the amount expended.

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TERMS AND CONDITIONS OF AGREEMENT BETWEEN OWNER AND ARCHITECT

ARTICLE 3. ARCHITECT'S BASIC SERVICES

3.1 *Schematic Design Phase.*
3.1.1 The Architect shall consult with the Owner to ascertain the requirements of the Project and shall confirm such requirements to the Owner.
3.1.2 He shall prepare schematic design studies leading to a recommended solution together with a general description of the Project for approval by the Owner.
3.1.3 He shall submit to the Owner a Statement of Probable Project Construction Cost based on current area, volume or other unit costs.

3.2 *Design Development Phase.*
3.2.1 The Architect shall prepare from the approved Schematic Design Studies, the Design Development Documents consisting of plans, elevations and other drawings, and outline specifications, to fix and illustrate the size and character of the entire Project in its essentials as to kinds of materials, type of structure, mechanical and electrical systems and such other work as may be required.
3.2.2 He shall submit to the Owner a further Statement of Probable Project Construction cost.

3.3 *Construction Documents Phase.*
3.3.1 The Architect shall prepare from the approved Design Development Documents, Working Drawings and Specifications setting forth in detail the work required for the architectural, structural, mechanical, electrical, service-connected equipment, and site work, and the necessary bidding information, General Conditions of the Contract, and Supplementary General Conditions of the Contract, and shall assist in the drafting of Proposal and Contract Forms.
3.3.2 He shall keep the Owner informed of any adjustments to previous Statements of Probable Project Construction Cost indicated by changes in scope, requirements or market conditions.
3.3.3 He shall be responsible for filing the required documents to secure approval of governmental authorities having jurisdiction over the design of the Project.

3.4 *Construction Phase–General Administration of Construction Contracts.*
3.4.1 The Architect shall assist the Owner in obtaining proposals from Contractors and in awarding and preparing construction contracts.
3.4.2 To the extent provided by the contract between the Owner and the Contractor, he shall make decisions on all claims of the Owner and Contractor and on all other matters relating to the execution and progress of the work or the interpretation of the Contract Documents. He shall check and approve samples, schedules, shop drawings and other submissions only for conformance with the design concept of the Project and for compliance with the information given by the Contract Documents, prepare change orders and assemble written guarantees required of the Contractors.
3.4.3 He will make periodic visits to the site to familiarize himself generally with the progress and quality of the work and to determine in general if the work is proceeding in accordance with the Contract Documents. He will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the work and he will not be responsible for the Contractors' failure to carry out the construction work in accordance with the Contract Documents. During such visits and on the basis of his observations while at the site, he will keep the Owner informed of the progress of the work, will endeavor to guard the Owner against defects and deficiencies in the work of Contractors, and he may condemn work as failing to conform to the Contract Documents. Based on such observations and the Contractors Applications for Payment, he will determine the amount owing to the Contractor and will issue Certificates for Payment in such amounts. These Certificates will constitute a representation to the Owner, based on such observations and the data comprising the Application for Payment, that the work has progressed to the point indicated. By issuing a Certificate for Payment, the Architect will also represent to the Owner that, to the best of his knowledge, information and belief based on what his observations have revealed, the quality of the work is in accordance with the Contract Documents. He will conduct inspections to determine the dates of substantial and final completion and issue a final Certificate for Payment.

3.4.4 If more extensive representation at the site is required, the conditions under which such representation shall be furnished and a Project Representative selected, employed and directed, shall be agreed to by the Owner and the Architect and set forth in an exhibit to this Agreement.

ARTICLE 4. ARCHITECT'S ADDITIONAL SERVICES

The following services cause the Architect extra expense. If any of these services are authorized by the Owner they shall be paid by the Owner as a Multiple of Direct Personnel Expense:
4.1 Making planning surveys and special analyses of the Owner's needs to clarify requirements of the Project.
4.2 Making measured drawings of existing construction when required for planning additions or alternations thereto.
4.3 Revising previously approved drawings or specifications to accomplish changes.
4.4 Providing Semi-Detailed or Detailed Cost Estimates.
4.5 Preparing documents for Alternate Bids and Change Orders, or for supplemental work initiated after commencement of the construction phase.
4.6 Consultation concerning replacement of any work damaged by fire or other cause during construction and furnishing professional services of the types set forth in Article 3 above as may be required in connection with the replacement of such work.
4.7 Arranging for the work to proceed should the contractor default due to delinquency or insolvency.
4.8 Providing prolonged contract administration and observation of construction should the construction contract time be exceeded by more that 25% due to no fault of the Architect.
4.9 Preparing as-built drawings showing construction changes in the work and final locations of mechanical service lines and outlets on the basis of data furnished by the Contractor.
4.10 Making an inspection of the Project prior to expiration of the guarantee period and reporting observed discrepancies under guarantees provided by the construction contracts.

ARTICLE 5. THE OWNER'S RESPONSIBILITIES

5.1 The Owner shall provide full information as to his requirements for the Project.
5.2 He shall designate, when necessary, representatives authorized to act in his behalf. He shall examine documents submitted by the Architect and render decisions pertaining thereto promptly, to avoid unreasonable delay in the progress of the Architect's work. He shall observe the procedure of issuing orders to contractors only through the Architect.
5.3 He shall furnish or direct the Architect to obtain at the Owner's expense, a certified survey of the site, giving, as required, grades and lines of streets, alleys, pavements, and adjoining property; rights of way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries, and contours of the building site; locations, dimensions, and complete data pertaining to existing buildings, other im-

provements and trees; full information as to available service and utility lines both public and private; and test borings and pits necessary for determining subsoil conditions.

5.4 He shall pay for structural, chemical, mechanical, soil mechanics or other tests and reports if required.

5.5 He shall arrange and pay for such legal, auditing, and insurance counselling services as may be required for the Project.

5.6 If the Owner observes or otherwise becomes aware of any defect in the Project, he shall give prompt written notice thereof to the Architect.

ARTICLE 6. PROJECT CONSTRUCTION COST

6.1 Project Construction Cost as herein referred to means the total cost of all work designed or specified by the Architect, but does not include any payments made to the Architect or consultants.

6.2 Project Construction Cost shall be based upon one of the following sources with precedence in the order listed:

6.2.1 Lowest acceptable bona fide Contractor's proposal received for any or all portions of the Project.

6.2.2 Semi-Detailed or Detailed Estimate of Project Construction Cost as defined in paragraph 6.4 below.

6.2.3 The Architect's latest Statement of Probable Project Construction Cost based on current area, volume or other unit costs.

6.3 When labor or material is furnished by the Owner, the Project Construction Cost shall include such labor and material at current market cost.

6.4 If a fixed limit of Project Construction Cost is stated herein, or if otherwise authorized by the Owner, Estimates of the Probable Project Construction Cost prepared in Semi-Detailed or Detailed form by an experienced estimator will be secured by the Architect during the Design Development or Construction Documents Phase.

6.5 If the Statement of Probable Project Construction Cost, or the Semi-Detailed or Detailed Cost Estimate, or the lowest bona fide proposal is in excess of any limit stated herein, the Owner shall give written approval of an increase in the limit, or he shall cooperate in revising the project scope or quality, or both, to reduce the cost as required.

6.6 Since the Architect has no control over the cost of labor and materials, or competitive bidding, he does not guarantee the accuracy of any Statements of Probable Construction Cost, or any Semi-Detailed or Detailed Cost Estimates.

ARTICLE 7. DIRECT & REIMBURSABLE EXPENSE

7.1 Direct Personnel Expense includes that of principals and employees engaged on the Project including architects, engineers, designers, job captains, draftsmen, specification writers, typists and Project Representatives, in Consultation, research, designing, producing drawing, specifications and other documents pertaining to the Project, and services during construction at the Project site.

7.2 Reimbursable Expense includes actual expenditures made by the Architect in the interest of the Project for the following incidental expenses:

7.2.1 Expense of transportation and living of principals and employees when traveling in connection with the Project; long distance calls and telegrams; reproduction of drawings and specifications, excluding copies for Architect's office use and duplicate sets at each phase for the Owner's review and approval; and fees paid for securing approval of authorities having jurisdiction over the Project.

7.2.2 If authorized in advance by the Owner, the expense of Project Representative, overtime work requiring higher than regular rates, perspectives or models for the Owner's use.

7.2.3 If their employment is authorized in advance by the Owner, fees of special consultants, for other than the normal structural, mechanical and electrical engineering services.

ARTICLE 8. PAYMENTS TO THE ARCHITECT

8.1 Payments on account of the Architect's basic services shall be as follows:

8.1.1 A minimum primary payment of 5 per cent of the compensation for basic services, payable upon the execution of the Agreement, is the minimum payment under the Agreement.

8.1.2 Subsequent payments shall be made monthly in proportion to services performed to increase the compensation for basic services to the following percentages at the completion of each phase of the work:

Schematic Design Phase	15%
Design Development Phase	35%
Construction Documents Phase	75%
Receipt of Bids	80%
Construction Phase	100%

8.2 Payments for Additional Services of the Architect as defined in Article 4 above, and for Reimbursable Expense as defined in Article 7.2, shall be made monthly upon presentation of Architect's detailed invoice.

8.3 No deduction shall be made from the Architect's compensation on account of penalty, liquidated damages, or other sums withheld from payments to contractors.

8.4 If any work designed or specified by the Architect during any phase of service is abandoned or suspended in whole or in part, the Architect is to be paid for the service performed on account of it prior to receipt of written notice from the Owner of such abandonment or suspension, together with reimbursements then due and any terminal expense resulting from abandonment or suspension for more than three months.

ARTICLE 9. ARCHITECT'S ACCOUNTING RECORDS

Records of the Architect's Direct Personnel, Consultant, and Reimbursable Expense pertaining to this Project and records of accounts between the Owner and Contractor shall be kept on a generally recognized accounting basis and shall be available to the Owner or his authorized representative at mutually convenient times.

ARTICLE 10. TERMINATION OF AGREEMENT

This Agreement may be terminated by either party upon seven day's written notice should the other party fail substantially to perform in accordance with its terms through no fault of the other. In the event of termination, due to the fault of others than the Architect, the Architect shall be paid for services performed to termination date, including reimbursements then due, plus terminal expense.

ARTICLE 11. OWNERSHIP OF DOCUMENTS

Drawings and Specifications as instruments of service are the property of the Architect whether the Project for which they are made be executed or not. They are not to be used on other projects except by agreement in writing.

ARTICLE 12. SUCCESSORS AND ASSIGNS

The Owner and the Architect each binds himself, his partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns and legal representatives of such other party in respect of all convenants of this Agreement. Neither the Owner nor the Architect shall assign, sublet or transfer his interest in this Agreement without the written consent of the other.

ARTICLE 13. ARBITRATION

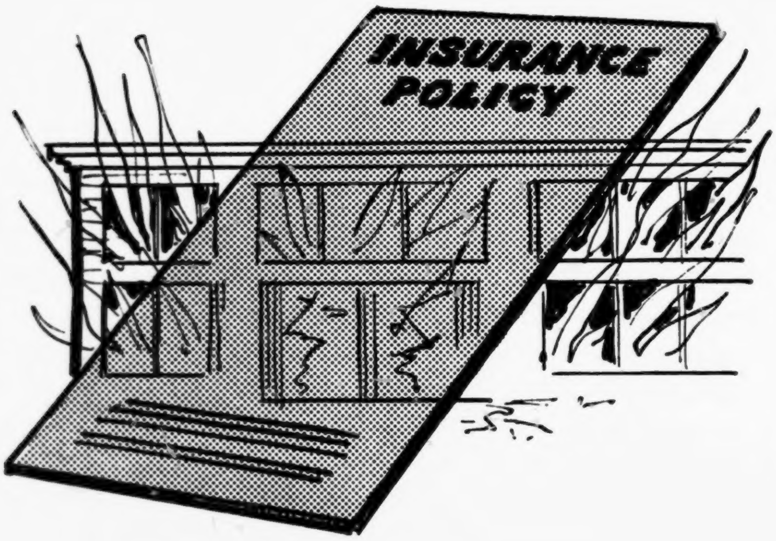
Arbitration of all questions in dispute under this Agreement shall be at the choice of either party and shall be in accordance with the provisions, then obtaining, of the Standard Form of Arbitration Procedure of The American Institute of Architects. This Agreement shall be specifically enforceable under the prevailing arbitration law and judgment upon the award rendered may be entered in the court of the forum, state or federal, having jurisdiction. The decisions of the arbitrators shall be a condition precedent to the right of any legal action.

IN WITNESS WHEREOF the parties hereto have executed this agreement the day and years first above written.

Owner ______________________ Architect ______________________

Chapter X

SCHOOL INSURANCE



By Iowa statute, school directors are permitted to insure school property for such sums as may be necessary and may provide for the payment of insurance premiums out of the General Fund. (279.25) School districts are not compelled by law to carry insurance, but it is recommended and is considered good business to keep property insured against loss.

School insurance is a major responsibility and one on which many school administrators and school board are not well informed. There is a wide variance among school districts regarding the number and types of insurance policies carried. Some carry but one or two insurance coverages, while others may carry twenty or more. The common types of protection are fire and extended coverage, workmen's compensation, liability or accident, boilers, and theft; but insurance policies are also written for vandalism, malicious mischief, glass, safety of school records, performance of duties, and other kinds of coverage.

Many Iowa schools carry insurance coverage which includes either an 80 or 90 per cent coinsurance clause. There has been a distinct trend toward replacement coverage which replaces property destroyed and disregards the factor of depreciation.

Inasmuch as school insurance is a complex and costly factor in school administration, school superintendents and board members should provide for an annual evaluation of their insurance programs and might well employ an insurance consultant to help them in their decisions.

A good insurance program is:

a. simple and understandable
b. comprehensive
c. economical—maximum coverage at minimum cost
d. well balanced in coverage and in the amount of premiums to be paid each year.

Where to Buy Insurance

Too often a school board will purchase insurance from a local agent or agents without any regard to the cost or the reputation of the insurance company. Insurance is complicated and costly, therefore a board should seek advice either from an outside insurance specialist, a local agent cooperating with the board, or a special agent representing insurance companies.

Although insurance rates are supposed to be set, **all insurance companies do not charge the same rates.** Sometimes dividends are offered to policy holders and occasionally authorized discounts are permitted, therefore a board may profit not only in insurance costs, but in quality of service, if school building insurance is purchased on competitive bids.

Perhaps informal sealed proposals are desirable rather than legally advertised sealed bids as it relieves the board of accepting the lowest bid.

Many school districts have no particular method of placing insurance. It goes to the local agent or agents. In other districts one insurance agent writes a master policy and he reinsures with local agents with all arrangements and agreements being known by all concerned.

Sometimes the insurance policies are written by a few agents but the commissions are divided among certain agents according to percentages established by the board.

The reputation and financial rating of insurance companies can be ascertained by consulting the Iowa Insurance Commission, or an insurance guide by some authority in the insurance field such as **Best's INSURANCE REPORTS,** New York City, and **DUNNE'S INSURANCE REPORT,** Louisville, Kentucky, both in the field of fire and casualty.

Insurable Value of Property

School officials should realize the importance of factors that determine insurance on school property. The insurable value is what it would cost to replace the property at the time of loss, less depreciation and less non-insurable items at their current value. However, there might also be other factors that would affect the insurable value of school property. Care must be taken not to include non-insurable items in arriving at the insurable value of the property. There is no wisdom in paying insurance on the cost of property that will not be reimbursable or replaced. Sidewalks, foundations, playground paving, buried tanks and retaining walls may increase the cost of property but are not covered by insurance and therefore are classified as non-insurable items.

In times of fluctuating values on materials and property, a wise school board will have its insurance program evaluated every two or three years. Where coinsurance is carried it may be advisable for a school board to have the insurable value of its properties checked each year during a spiral rise or fall in prices.

Appraisals

A qualified architect or construction contractor can usually figure the sound insurable value of a school building. However, a better business practice is to have an appraisal made by a professional appraising firm. It is necessary that property values be established as accurately as possible when the policies are issued and that changing values be kept current. The initial cost of a professional appraisal may appear high, but after the first comprehensive examination, the yearly reappraisals are relatively economical.

There are two major advantages to a professional evaluation: (1) the professional appraiser can advise the board and the school administration regarding certain hazards that could economically be corrected and thus reduce the premium; and (2) the adjusting of a loss will usually be much simpler if a reliable appraisal firm has an established, current value to furnish the fire insurance adjuster. Some of the professional appraisal firms which are available to provide this service to Iowa schools are:

(1) Marshall and Stevens, Minneapolis; (2) Lloyd-Thomas Company, Chicago; and (3) Appraisal Service Company, Minneapolis.

Insurance Rates

No attempt will be made here to describe in detail the factors that determine fire insurance rates on school buildings. Rates are developed by certain rating bureaus in Iowa licensed by the State Insurance Commission. Rates developed by a bureau must be approved by the State Insurance Commission.

An administrator or board that feels an unfair or excessive rate is being charged on an individual risk may request the Iowa Inspection Bureau (Insurance Exchange Bldg., Des Moines) to review the rate.

Savings in rates may be made by:

a. A coinsurance clause in the insurance contract.

b. Placing insurance on a three-or five-year term. Usually a three-year rate is about 2.5 times the one-year rate, and the five-year rate is approximately four times the one-year rate. Most insurance companies will write three-year or five-year policies on a budget plan or on an installment plan whereby the annual cost is approximately the same each year.

c. Reducing fire hazards to a minimum in school buildings.

d. Using non-combustible materials or fixtures in a new building planned to be fire-resistive.

e. Placing insurance through competitive bidding.

Oftentimes a school board, by knowing the hazards that increase rates, may be able to remove these hazards and thus create a decided saving in premium costs.

Certainly, in planning a new building, a school board would want to be aware of fixtures in the building which would tend to increase or decrease the insurance rate on the structure. An insurance expert or rate specialist might be employed to look over sketches for a new building before any final decisions are made for blueprinting. An ounce of prevention is worth a pound of cure in annual insurance costs, and sub-standard construction fixtures are difficult to overcome or remedy once a structure is erected. A school board should not approve an architect's plan for a building until it is submitted to insurance underwriters or an insurance or rate expert for suggestions on what might be done to reduce insurance costs.

Types of Insurance Companies

There are several types of insurance companies but most school insurance in Iowa schools is held either by stock companies or mutual companies.

Stock Company. A stock company is one in which the capital is held by stockholders, and the stock is used as security to meet the provisions of contracts issued by the company. A board of directors manages the company and is therefore directly responsible to the stockholders. A successful company pays dividends to its stockholders and thus entices persons who desire to make financial investments.

Mutual Company. A mutual company has no capital stock. The payment of losses comes from paid insurance premiums. The policy holders are in reality stockholders and may be subject to extra assessment if the insurance company has insufficient funds to meet its financial obligations. Premiums are paid in advance and any surplus remaining after losses and expenses are paid may be refunded to policyholders as "dividends." Mutual companies are managed by a board of directors who are elected by the policyholders. Many mutual companies issue non-assessable contracts that exempt members from any additional charge. Many school districts are presently purchasing mutual policies on a non-assessable basis.

Assessment Company. An assessment company is usually chartered under special laws and issues insurance only to its members. A certain amount of money is deposited with the company as a sort of "emergency fund," and assessments are made periodically to cover losses and expenses. Extra assessments may be made if the need arises.

Self-Insurance. Self-insurance is based on the principle that some school districts are large enough and their risks are spread wide enough to enable them to carry their own insurance. In some states college property is not insured, as the state assumes the risk of losses usually covered by insurance policies. In some large cities the local school officials will budget amounts to meet estimated losses in what is known as a "city self-insurance program." A few states have their own school building insurance programs. Some provide for full coverage while others provide only for partial coverage. (North Carolina, South Carolina, Wisconsin, and North Dakota have state plans of insurance for their schools.)

Types of Insurance Policies

1. Fire Insurance

   Fire insurance is the most common type of insurance carried by school districts. Although some school buildings are rated as fire-resistive, yet it must be assumed that no building is immune from damages by fire. Fire insurance may be carried in a stock company or a mutual company, or a school district might be self-insured. A state might also have legislation to allow a state-insurance policy plan on its public school buildings. In Iowa practically all the school districts have buildings insured either in a stock company or a mutual company.

   There are several different insurance policy forms available with exclusions, permits, and clauses from which to select. In adopting its school insurance program a school board should be aware of the chief practices followed by fire insurance companies, the rate-making procedures, and the hazards that increase insurance rates.

2. Extended Coverage

   Most school districts now carry "Fire and Extended Coverage" endorsements on their policies.

   Extended coverage may include loss by explosion, wind, smoke, aircraft, hail, and other hazards. Single insurance policies may be written, however, on fire, wind or tornado, earthquake, flood, and hail. A specific endorsement might be written on each building and its contents, or a policy might cover all buildings with a specific coverage for each building, depending on the basic fire insurance policy.

3. Flat Rate Insurance

   This type of fire insurance policy has no requirement relative to coinsured value. A school district may place any amount of coverage it wishes on its property if agreeable with the insurance company. For example, a school board might not care to insure a fire-resistive building for more than twenty-five to fifty per cent of its value and therefore would prefer a flat rate policy. This type of policy is seldom written, as it is unacceptable to the majority of insurance companies.

4. Blanket Insurance

   Several different properties might be covered under one coinsurance policy. One advantage to the blanket type of policy is that an insurance penalty on one certain property might be avoided if the total coverage on all the properties meets the coinsurance requirements. There is also less recordkeeping on several buildings at one rate than on several buildings at different rates.

5. Coinsurance

   A coinsurance contract is an agreement between a school district and an insurance company whereby the school district agrees to carry coverage at eighty per cent, ninety per cent, or one hundred per cent of the actual cash value of its property. The more coverage that is purchased, the less the rate per unit of insurance. In order to qualify for a reduced rate, a school district agrees to carry a specified amount of insurance, usually eighty, ninety, or one hundred per cent of the cash value of the building and/or contents. If coinsurance is carried and there is a loss, the district collects the amount of its loss up to the face amount of the policy. If the school district carries less than designated in the coinsurance clause, the district is penalized in case of loss in direct proportion to the amount of insurance it neglected to procure.

The following table should be helpful in understanding how coninsurance works:

Coinsurance Clause Explained
(Using the 80% Clause)

It has no effect whatever when insurance is carried to the amount of 80% of value or more. In this case insurance pays the entire loss not exceeding the amount of policy.

Example:

Value	Insurance	Loss	Ins. Pays
$10,000	$8,000	$6,000	$6,000
10,000	8,000	8,000	8,000
10,000	8,000	9,000	8,000

It has no effect whatever when the loss equals or exceeds the coinsurance clause. In this case insurance pays entire loss not exceeding amount of policy.

Example:

Value	Insurance	Loss	Ins. Pays
$10,000	$6,000	$8,000	$6,000

When both insurance and the loss fall below 80% of the value, the insured becomes a contributor (that is, stands as an insurance company) to the amount of the difference between 80% of the value and the actual insurance in force at the time of fire.

Example:

Value	Insurance	Loss
$10,000	$7,000	$5,000

Eighty per cent value is $8,000. Insurance being $1,000 less than this sum, owner is a contributor to that amount and contributes to the loss in that proportion.

Insurance ($7,000) pays 7/8 of loss	$4,375
Owner contributes 1/8	625
Amount of loss	$5,000

The rates on coinsurance vary according to the per cent of coverage, the type of construction, and the nature of local fire protection which is provided. Since insurance rates differ on fire-resistive buildings and non-fire resistive buildings, school boards should consider carefully how the rate of insurance would be affected if a new buildings were constructed as a direct addition to an old building.

● A school board may buy wind and fire insurance from a mutual insurance company regardless of whether it is an assessable or nonassessable mutual company. (515.14) 1940 Report, p. 452.

Package Policies

The school insurance field has changed in recent years with the development of package policies under which a large number of liability and property risks can be covered with one insurance contract. The package policy method of insuring can provide a savings and can help to organize the total program to assure a broad coverage without duplication. Most insurance companies can now provide package programs which are flexible enough to allow for the needs of the individual school district by endorsements for deductibles and optional coverages.

The new insurance program called PIP (Public and Institutional Property) coverage in a single package policy has been developed primarily for schools, colleges, and charitable institutions. Various coverages, including liability, may be endorsed to such a single package contract. Another package policy which is presently available is the multi-peril institutional policy which greatly resembles the better known PIP form.

According to some reports, package plans have obtained reductions up to 25% on fire insurance rates and up to 40% on extended coverage costs. These contracts, which are approved for issuance in the State of Iowa, provide for all of the various optional coverages available under other insurance policies.

Under these plans, the school district is required to carry a specific amount of coinsurance and to perform quarterly checks of the premises for hazards. The examinations for hazardous conditions are of value since they serve the purpose of fire prevention and fire safety. These quarterly inspections are performed by local school personnel. The new package insurance policy combines almost all of the essential coverages with one premium under one policy written by one agent with one company.

It is possible for insurance companies to write package contracts at lower premiums because the handling of all risks by one company means more business and makes the school district a larger and more valuable client.

Boiler Insurance

The majority of Iowa schools carry boiler insurance. These insured boilers are inspected periodically by the insurance companies holding the contracts. Boiler insurance covers losses due to explosion or rupture. Through inspections certain hazards and weaknesses may be detected and repaired, and thus many accidents may be prevented.

(Broad boiler insurance will cover boilers, hot water heaters, hot water tanks, air compressor tanks, motors, and other items where water is under pressure.) High pressure boilers are more hazardous that low-pressure boilers and it is common practice to carry broad insurance on them. However, something could go wrong with low-pressure boilers and insurance is therefore justified.

There is a difference between the definition of a boiler and a furnace and boiler insurance does not cover furnace explosions. A furnace is that part of a heating plant where fuel is converted into heat. A boiler is where water is heated or converted into steam.

Losses due to furnace explosions or any other types of explosions may be covered by an Extended Coverage Endorsement to a Fire Insurance policy but such an endorsement would not cover explosions occurring in steam boilers. Boiler insurance covers only the heating units that are connected with boilers having water under pressure. Hot air furnaces are not insurable under boiler policies, but would be covered if an extended coverage endorsement is attached to a fire insurance policy.

School boards should select a boiler insurance company that offers the most coverage and inspection service at the least cost to the school district.

Glass Insurance

Few schools carry glass insurance because the small amount of breakage does not warrant the cost of coverage. Few insurance companies would be interested in writing glass insurance in an area where there was a high loss of glass caused by vandalism.

It should be noted that a Vandalism and Malicious Mischief Endorsement to a Fire Insurance policy covers only loss to glass building blocks, but not to window or other types of glass.

A standard fire policy covers loss of glass due to fire. An extended coverage endorsement might cover loss of glass due to hail, wind, explosion, or riot.

Schools seldom insure regular window glass but may insure plate glass and special glass in a building.

Floater Insurance

Floater insurance covers property that has no fixed location. Such policies replace fire, theft, and extended coverage on other policies, and care should be taken that the same items are not covered on both regular policies and floater policies. (Inland Marine Insurance originally protected property transported on the high seas, but later was adapted to cover property with no fixed location.)

Inland Marine Insurance provides floater policies on:

Musical Instruments—Sheet music, instruments, music equipment (often written to include instruments owned by pupils).

Athletic Equipment—Uniforms and all types of athletic equipment.

Visual Equipment—Cameras, films, projection machines, recorders, etc.

Fine Arts—Rare books, paintings, statuary, sculpture, etc. (Rarely used by schools.)

Floater policies usually cover damage or loss caused by fire, windstorm, lightning, flood, theft and transportation. A broader policy would include loss or damage from breakage of insured items. Each item of property must be listed in the policy with its amount of insurance.

Burglary, Robbery, and Theft Insurance

Many kinds of policies are written to cover theft of school articles, safe and vault robbery, messenger robbery, and robbery by kidnapping. None of these policies covers losses due to dishonesty of school employees. These are covered by surety bonds or public official dishonesty bonds.

If a school district is to be well-covered against loss of money, securities and other kinds of property under normal conditions of robbery, theft, and burglary, the board might consider the following types of insurance:

1. **Mercantile Open Stock Insurance**—This includes furniture, fixtures, equipment and merchandise not stored in a vault.
    a. In force only when buildings are closed.
    b. There must be visible evidence of breaking into the building.
    c. Does not apply to money and securities.
2. **Broad Form Money and Securities Insurance**—This type of policy covers a wide range. It insures moneys and securities against many risks. This includes breaking and entering vaults, the loss of safes and vaults, loss or damage of property caused by robbery, etc. This type of policy covers property other than money and securities and is to be preferred to the regular policies on safe burglary, robbery, and theft. (See "Iowa School Insurance," 1960, Department of Public Instruction, p. 48)
3. **Floater Insurance**—(Previously discussed in this chapter.)

Public Official and Employee Bonds

Public official and employee bonds are of two types.

1. A fidelity bond is one which indemnifies employers from losses resulting from dishonest acts of bonded employees.
2. A surety bond is generally a pre-requisite to qualifying for an office. This bond guarantees the faithful performance of duties and includes honesty protection.

Either bond protects a school district from any loss caused by the official or employee covered by the bond, but it does not protect the person on whom it is written. The insurance carrier makes good any valid claim but has the right to collect such loss from the official or employee.

A surety bond of not less than $500 is required of each the secretary and the treasurer of a school corporation for the faithful performance of his official duty. (291.2)

The cost of the required bond may be paid from the general fund. (291.3)

Type of fidelity bond coverage:

1. Individual Bond is one written on individuals.
2. Name Schedule Bond is one written on two or more individuals listed on the same schedule.
3. Position Schedule Bond is one written to cover individuals who occupy certain positions.
4. Commercial Blanket Bond is one covering all employees (excluding the treasurer and secretary) with any loss covered up to the bond penalty regardless of the number of employees involved.
5. Blanket Position Bond is one covering all employees (excluding the treasurer and secretary) with the bond amount applicable to each person involved in any loss.

A blanket bond is preferred by some school officials because it:

a. is more economical,
b. covers all school employees,
c. is generally written on a three year term so the premium remains stable,
d. automatically covers any new employees hired, without additional cost.

(For information relative to surety bonds covering performance of contracts, see the chapter on Building and Sites.)

A surety bond is also required of any employee of a high school district who handles school funds or extra-curricular funds. (279.8) No minimum penalty is required by law but the bond may be in such form and amount as the school board approves.

Although a minimum penalty of five hundred dollars is required by statute of school district secretaries and treasurers and no minimum penalty is required of other employees, a school board should demand that a bond covers the largest amount of money that any official may have in his custody at any one time.

Surety bonds may be filed for any number of years. Some run concurrently with the official's term of office; others cover an indefinite number of years; some are written for each year. It might be good procedure to demand that a new bond be filed each year, especially for employees who may be "hired and fired" at the pleasure of the school board.

The conditions of a surety bond for public officers, except as otherwise specially provided, are detailed in Section 64.2.

The attachment of a renewal certificate to an existing bond is not valid. (64.2)

Any official who acts without giving bond where a bond is due shall be fined in an amount not to exceed the amount of his bond. (64.25)

The secretary and treasurer of a school district are required to file their bonds with the president of the board. (291.2)

Workmen's Compensation Insurance

Workmen's Compensation Insurance protects a school district:

a. Against liablity for loss because of injuries to employees in or on premises controlled by the employer, or elsewhere if on the employer's business.
b. Against liability for death resulting from personal injury.
c. Against liability for disease if it is a result of an injury.
d. Against liability for certain occupational diseases.

School districts in Iowa are required to carry workmen's compensation insurance. (85.2) Teachers, janitors, cooks, bus drivers, and other school employees regularly employed come under the protection of the workmen's compensation statute.

School children are not employees of a school district and therefore are not covered by the provisions of the statute. The general doctrine is that a school corporation is not liable for non-contract injuries, therefore would not be liable for injuries to pupils. (Although a school board is not under any legal obligation or liablity to settle an injury claim, it could legally pay a reasonable sum for hospital treatment or a physician's care providing the child was injured while attending school.) (A teacher, coach, or superintendent may personally be liable if the injury of the pupil were caused by negligence on his part.)

Where independent contractors are building or repairing a building or doing some other work for the school district, these contractors should carry their own risk.

(For definitions, descriptions, and procedures relative to workmen's compensation insurance, see Chapters 85, 86, and 87, Iowa Code. For definitions see 85.61)

Liability Insurance

Although school boards are not specifically authorized to carry Liability Insurance many of them do because they wish to take no chances from liability awards which might be decided against the district.

The two types of Liability Insurance that concern boards of education are general liability, and automobile liability. Both of these may be obtained in one policy or they may be obtained in two separate policies. There is an advantage in having all comprehensive liability insurance written with the same company.

Each one of these forms of insurance covers the insured's legal liability for damages because of bodily injury, sickness or disease (including death resulting from such), or damage because of injury to or destruction of property and caused by accident.

(Liability for injuries to school employees is protected under Workmen's Compensation Insurance. A school district may be held liable for injuries to school employees but such situation is not covered by a General Liability Insurance policy.)

It must be remembered that liability policies cover only the legal liability of a school district. A liability insurance policy is not an accident policy. The company is not legally obligated to pay anything until damages have been awarded by a court.

● There is no liability upon a school board or individual members of the board for any injury resulting from accidents where the building is rented or owned by the school district whether the authority was granted by the electors or not. 1930 Report, p. 267.

● Where a school building is used for grange meetings and a visitor falls off the unrailed porch breaking his arm, there is no liability on the district because the use of the building for grange purposes is authorized by law and does not change the function of the school corporation from governmental to proprietary. 1940 Report, p. 232.

● Insurance on school busses is authorized under 285.10(6). Insurance on other vehicles and machinery owned or used by a school district is authorized under 517A.1. Purchase of a "general liability" policy is not authorized by statute for the reason that a school district does not have "general" liability; and purchase of coverage in excess of actual existing and possible bona fide risk would amount to misapplication of public funds. Ltr. OAG, March 7, 1958.

Insurance for Pupils and Athletes

According to the National Safety Council, fifty-nine per cent of all accidents occurring to children happen at school or on the way to or from school. In the field of interscholastic athletics the incident ratio of injuries received by those participating is even higher. While Iowa schools are not legally liable for doctor and hospital bills associated with the treatment of these injuries, many school administrators have felt that the school has a moral obligation to attempt to provide an insurance service which would assist the parents in meeting doctor and hospital bills incurred as a result of injuries sustained by their children while attending school and participating in supervised school activities.

Under Iowa statute all insurance companies are required to issue individual insurance policies or certificates to each insured individual. The extent of the school's participation in the insurance program varies slightly with the various companies. Some of the companies do not pay the commissions to agents but prepare printed brochures which are distributed to the pupils in the school. Pupils desiring the insurance then return a premium to the school. The school administrator forwards the money and the names of the pupils desiring insurance to the company. Individual policy certificates are provided for each insured pupil.

Some commercial companies have a local agent collect the premiums for them. Premiums in this type of operation are usually higher than the premiums charged by those companies operating without local agents for the reason that the agents' commissions must be deducted from the premiums collected from the insured. (See pp.30 to 33, "Iowa School Insurance," 1960, Department of Public Instruction.)

● A school board is not liable for injuries to pupils participating in athletics. It may pay hospital bills at its discretion. 1928 Report, p. 242.

Automobile, Bus, and Transportation Insurance

In Section 285.10 of the Iowa Code, a school board is given the authority to purchase liability insurance. The law states that boards may ". . . purchase liability insurance or such other coverage as deemed necessary to protect the driver or any authorized employee from liability incurred by said driver or employee as a result of operating the bus and for damages or accident resulting in injury or death to the pupils or employees being legally transported."

Iowa statute gives the Department of Public Instruction power to establish standards for the protection and safety of pupils transported to and from public schools. (285.8) The Division of Transportation has set up the following standards and regulations:

1. The board of education shall carry insurance on all school-owned buses and see that insurance is carried by all contractors hired by the board to transport pupils.
2. **Liability Insurance**–Inasmuch as school bus drivers may be sued for damages arising as a result of accident, no individual should drive a bus unless fully covered by liability insurance. since drivers frequently change during the year, the board of education shall carry insurance on all buses so written as to protect all approved drivers. Insurance shall be carried at the minimum amount of $100,000-$300,000 liability for each bus.
3. **Property Damage**–Property damage coverage in the amount of $10,000 shall also be carried.
4. **Medical Care–Hospitalization**–Liability insurance does not cover injuries received by children in accidents caused by other vehicles or from other causes not resulting from carelessness, etc., on the part of the driver of the school bus. Therefore, medical insurance of at least five hundred dollars per pupil should be carried.
5. Liability and medical care insurance should be purchased for the school term only, except for buses which are to be used for approved activities during the summer months.
6. Fire, theft, wind storm, and comprehensive insurance should be carried on each bus.
7. Collision insurance is not recommended and cannot be added to the cost of transportation assessed against rural districts. (See Bulletin TR-B-1-254 of the Division of Transportation.)

Where a school district has five or more buses in operation, the advantages of fleet insurance should be considered.

Group Insurance

A school board may provide group insurance for the employees of the school district and pay all or any part of the cost for such insurance from school district funds. Group insurance which a school board is authorized to provide in this manner includes health insurance, non-profit hospital service, non-profit medical service, and life insurance plans. (279.12 Amended 61st G.A.)

Medical and Hospital Service Plans

Section 514.16 in the Iowa Code sets up a procedure whereby payments may be deducted from the salary or wages of employees of a school district and paid to any corporation operating a non-profit hospital plan or medical service plan, but such deduction must be authorized in writing by the employee.

The 60th General Assembly (1963) and the 61st General Assembly (1965) modified Chapter 365A and Section 509.4, making it permissible for a school district to establish plans for group insurance covering life, accident, health, hospitalization, and disability insurance for employees. The number of employees must be more than one, and policies must be purchased from ". . . any insurance company having a certificate of authority to transact an insurance business in this state." This statute allows deduction of premium payments from the paychecks of employees when authorized by them. The premiums may also be paid ". . . from contributions wholly or in part by the governing body." (Employee is defined in 365A.7).

Annuity Contracts

A school district at the request of an employee may, through contractual agreement, purchase an individual annuity contract for an employee. The contract must be purchased from an insurance organization authorized to do business in Iowa and through an Iowa licensed insurance agent as the employee may select. The annuity contract may be for retirement or other purposes. Payroll deductions are authorized for the purpose of paying the entire premium due, and shall be made in the manner which will qualify the annuity premiums for the benefit afforded under section 403b of the Federal Internal Revenue Code. (259.4, Amended 61st G.A.)

Pension Systems

If an independent school district is located wholly or partly within a city having a population of twenty-five thousand one hundred or more, it may establish a pension and annuity retirement system for its public school teachers. In cities of less than seventy-five thousand, this system must be ratified by a vote of the people at a general election. (294.8) The establishment, operation, and termination of a retirement system is described in Sections 294.8 to 294.13.

The Iowa Employment Security Commission at 1000 East Grand Avenue, Des Moines, should be contacted for information regarding the Iowa Public Employees Retirement System (IPERS) or any other prior service under this act.

Because so many changes in this law were effected by the 1963 legislature, it is not expedient to include them in this publication except to point out these important changes:

1. The system is now supposed to be actuarially sound.
2. Benefits are now based on a maximum salary of $4,800 instead of $4,000.
3. The new contributions from employee and employer went into effect in January, 1964.
4. The contribution rate of 3-1/2% by both employee and employer remains the same as before.
5. Benefits which went into effect in January, 1964, are approximately doubled for persons already retired.
6. Many optional provisions were liberalized, and death benefits were doubled.
7. The accumulated and future "quit" money was allocated to member accounts which created potential benefits.

   (See Chapter 97B of the new Iowa Code.)

For information regarding retirement benefits under the Federal Insurance Contribution Act, contact the Federal Social Security Commission at 205 Twelfth Street, Des Moines.

Maintaining Insurance Records

Adequate insurance records should be simple but informational. They should be kept in a central business office. They should cover information on the present worth and insurable value of each building including the contents. The records should indicate the published rates, the amount of insurance expiring each year, the date of expiration, the premium paid, and the company writing each policy.

School officials should distribute their policies in such a way that there will be one common expiration date each year, and that the number of policies will be held to a minimum.

All insurance records should be kept in a fire-resistive vault or safe. If no safe or vault is available in the school building, it might be advisable to keep the records in the vault of the school depository bank or some other bank most accessible to the school.

Miscellaneous

- No board member is permitted by law to have any interest directly or indirectly in any contract made by the school board. Neither can he act as an agent for textbooks or school supplies during his term of office. The law also provides that the party to a school contract guarantees he has not made any contract or agreement with a school officer whereby that officer receives anything of value or any money for such a contract. No board member therefore is allowed to sell insurance to his school district. 1912 Report, p. 521.

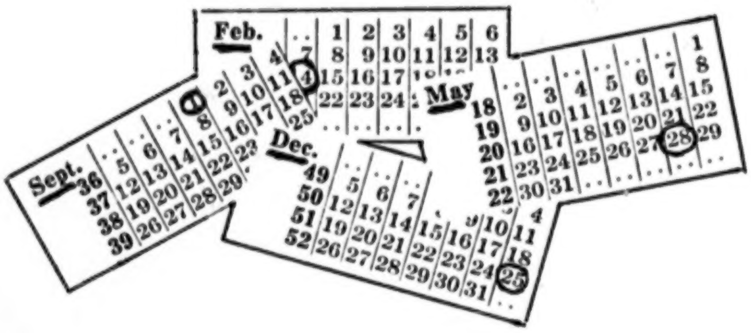
- A school district cannot use insurance money to buy a site or erect a new building without a vote of the electors. 1926 Report, p. 403. 1927-28 Report, p. 77.

- If some money remains from insurance in the Schoolhouse Fund after repairs or erection of a new building has taken place, this balance may be transferred to the General Fund by a vote of the electors, or it can be used for other building or site purposes if voted by the people. Ltr. OAG, Feb. 26, 1924.

- A school district may purchase liability insurance deemed necessary to protect the driver or any authorized employee from liability incurred while operating a bus. The district may not purchase liability insurance to cover boards or individuals. Ltr. OAG, March 7, 1958.

Chapter XI

SCHOOL CALENDAR



JULY

July 1 BOARD shall meet on the first secular day after the seventh day in July, examine the books of and settle with the secretary and treasurer for the fiscal year ending on the preceding June thirtieth. At this meeting the TREASURER shall furnish a sworn statement from each depository bank showing the amount of school funds on deposit at the end of the day's business on June thirtieth. (279.30) The SECRETARY shall file his annual report for approval by the board. (291.8)

July 1-10 BOARD shall arrange for publication of the quarterly financial statement. (279.34)

July 1-10 SUPERINTENDENT, between the first and tenth days of each month, shall file with the labor commissioner duplicate copies of work permits issued during the previous month. (92.8)

July 1-10 SECRETARY, on or before the tenth day of the month, shall file with the board the statement of the receipts and expenditures of the previous month with the balance on hand in each fund. (291.7)

July 1-14 COUNTY TREASURER, before the fifteenth day of each month, shall give notice to the president of the amount collected for each fund during the previous month. PRESIDENT shall draw draft therefor, countersigned by secretary. (298.13)

July 1-15 COUNTY BOARD OF EDUCATION shall consider the budget as submitted by the county superintendent and certify to the county board of supervisors the estimates of the amounts needed. (273.13, subsection 10)

July 8-15 BOARD in each consolidated, community, city or town school district in which a newspaper is published shall, during the second week in July, publish a summarized statement showing the receipts and disbursements of all funds for the preceding school year. In districts with a population of more than one hundred twenty-five thousand, the statement must show the names of persons, firms, or corporations, and the total amount paid to each during the year. The annual statement should follow the fourth quarterly statement. (297.32)

July 8-15 BOARD in each consolidated, community, city or town school district in which no newspaper is published and in rural districts shall prepare and file a summarized statement showing receipts and disbursements of all funds for the preceding year with the county superintendent. Copies of this statement must also be posted in three conspicious places. (279.33)

July 8-17 SECRETARY shall file the annual report with the county superintendent within ten days after the July meeting. (291.10)

July 8-17 SECRETARY shall report to the county superintendent, county auditor and county treasurer the name and address of the school board president, secretary, and treasurer as soon as practicable after the qualification of each. (291.11)

July, second Monday, odd-numbered years BOARD in certain districts, and COUNTY BOARD OF EDUCATION, shall elect delegates to the convention for the nomination of a member of the State Board of Public Instruction in those years when a state board member must be nominated to fill a vacancy or to succeed a member whose term expires the following January. Election of delegates shall be held on the second Monday in July of those odd-numbered years. The names of those chosen as delegates and alternates shall be certified to the secretary of state within ten days. (257.5)

July 1-25 BOARD shall prepare the annual budget estimates and file them with the secretary on or before July twenty-fifth (24.9, 24.17)

July 1-30	SUPERINTENDENT shall file with the county board of education, not later than July thirtieth, the tuition rates and the computation thereof. No tuition may be collected until approval is granted by the county board of education. (282.20)
July 1-31	COUNTY SUPERINTENDENT shall file annual reports with the state superintendent of public instruction. (273.18, subsection 26)
July 1 to August 1	COUNTY SUPERINTENDENT, on or before August first, shall make required reports to the school for the blind, school for the deaf, and institution for the feeble-minded. (273.18, subsection 28)
July to October	COUNTY BOARD OF EDUCATION, between the first Monday in July and October first, shall expend the library fund withheld by the county auditor. (292.2, 292.3)
July 15	BOARD shall submit designations, or changes in designations, for transportation and tuition, to the county board of education on or before July fifteenth. (285.4)
July 15	COUNTY AUDITOR, on the fifteenth day of July, October and April, shall furnish to the county superintendent a statement showing various appropriations to his office together with a statement of the unexpended balances of such appropriations. (344.7)
July 31	COUNTY SUPERINTENDENT, on or before the last secular day in July, shall file with the county auditor a statement of the number of persons of school age in each district. (273.18, subsection 27)
July to August, odd numbered years	CANDIDATES for membership on the county board of education must file nomination papers with the county superintendent not more than forty-five days nor less than twenty days prior to the regular school election on the second Monday in September. (273.5)

AUGUST

August 1-10	SUPERINTENDENT, between the first and tenth days of each month, shall file with the labor commissioner duplicate copies of work permits issued during the previous month. (92.8)
August 1-10	SECRETARY, on or before the tenth day of the month, shall file with the board the statement of the receipts and expenditures of the previous month with the balance on hand in each fund. (291.7)
August 1-14	COUNTY TREASURER, before the fifteenth day of each month, shall give notice to the president of the amount collected for each fund during the previous month. PRESIDENT shall draw draft therefor, countersigned by secretary. (298.13)
August	CANDIDATES for election at the regular school election (second Monday in September) may file nomination papers with the secretary not earlier than thirty days nor later than noon of the tenth day prior to the election. (277.4)
August 1-15	SUPERINTENDENT should check to see that each school bus driver holds a valid chauffeur's license and school bus driver's permit for the current school year. (285.11, subsection 11)
August 1-20	COUNTY BOARD OF EDUCATION should check tuition rates as submitted by the several school districts of the county, and notify local boards as to approval or disapproval. (282.20)
August 15	BOARD shall certify budget to the county auditor not later than August 15th. (24.17)
August 15	SECRETARY, when certifying taxes, shall file a certified statement with the county auditor regarding taxfree lands in the district and government employees living thereon. (284.5)
August, third Monday, odd-numbered years	SECRETARY OF STATE, not later than ten days before the third Monday in August of each odd-numbered year, calls a convention in each of the state board districts holding an election for nomination of a State Board of Public Instruction member that year. (257.5)
August 15 to not later than first Tuesday in September	PERSONS may file a written protest to the budget as certified to the county auditor by board. (24.26)

SEPTEMBER

September 1 BOARD OF SUPERVISORS shall make computation of school tax loss reimbursement on government-owned lands on or before the first day of September. (284.1)

September 1 SUPERINTENDENT should check on all tuition pupils and require verification of tuition responsibility from the home districts of such pupils. (282.19

September, second Monday REGULAR SCHOOL ELECTION (277.1)

September 1-10 SUPERINTENDENT, between the first and tenth days of each month, shall file with the labor commissioner duplicate copies of work permits issued during the previous month. (92.8)

September 1-10 SECRETARY, on or before the tenth day of the month, shall file with the board the statement of the receipts and expenditures of the previous month with the balance on hand in each fund. (291.7)

September 1-14 COUNTY TREASURER, before the fifteenth day of each month, shall give notice to the president of the amount collected for each fund during the previous month. PRESIDENT shall draw draft therefor, contersigned by secretary. (298.13)

September 1-15 BOARD OF SUPERVISORS shall reduce the amount to be raised by taxation by an amount equal to the difference between the estimated state aid in the budget and the amount of aid certified by the Department of Public Instruction no later than September 1 of each year.

September 1-15 SUPERINTENDENT should provide the secretary with a list of teachers, certifying that such teachers have valid certificates properly registered with the county superintendent and are therefore entitled to receive pay. (260.20, 294.1)

September, third Monday SECRETARY shall report to county superintendent, county auditor, and county treasurer, the name and address of the president of the board as soon as possible after his qualification. (291.11)

September 1-30 BOARD must certify resolution of levy for Schoolhouse Fund (2½ mill) to county auditor before October first if the levy is to be included in the tax levy of the year of filing.

September 1-30 SECRETARY, before October first, should require reports from private schools as provided in Section 299.3.

September 30 BOARD must certify resolutions of levy for principal and interest on a bond issue to the county auditor before October first if the levy is to be included in the tax levy of the year of filing.

September to October CANDIDATE declared to have been defeated and who wishes to contest the election must institute proceedings within twenty days after the incumbent was declared elected. (62.5)

OCTOBER

October 1 COUNTY BOARD OF EDUCATION, between the first Monday in July and October first, shall expend the county library fund as withheld by the county auditor. (292.2, 292.3)

October 1-10 SUPERINTENDENT, between the first and tenth days of each month, shall file with the labor commissioner duplicate copies of work permits issued during the previous month. (92.8)

October 1-10 SECRETARY, on or before the tenth day of the month, shall file with the board the statement of the receipts and expenditures of the previous month with the balance on hand in each fund. (291.7)

October 1-10 BOARD shall arrange for publication of the quarterly financial statement. (279.34)

October, first Monday, odd-numbered years COUNTY BOARD OF EDUCATION shall hold organization meeting at 10:00 A.M. and elect a president for a term of two years. (273.9)

October, first Monday, odd-numbered years COUNTY SUPERINTENDENT presides at the organization meeting of the county board of education and, within two weeks, shall transmit to the state superintendent a certified copy of the proceedings of organization, including a schedule of regular meetings and names and addresses of all county school officials. (273.18, subsection 2)

October, first Monday COUNTY AUDITOR, on the first Monday in April and October, shall apportion the school tax (298.10), interest on the permanent school fund, and other funds belonging to the schools of the county. (298.11)

October 1-14 COUNTY TREASURER, before the fifteenth day of each month, shall give notice to the president of the amount collected for each fund during the previous month. PRESIDENT shall draw draft therefor, contersigned by secretary. (298.13)

October 12 COLUMBUS DAY (31.6)

October 15 COUNTY AUDITOR, on the fifteenth day of July, October, and April, shall furnish to the county superintendent a statement showing various appropriations to his office together with a statement of the unexpended balances of such appropriations. (344.7)

NOVEMBER

November 1-10 SUPERINTENDENT, between the first and tenth days of each month, shall file with the labor commissioner duplicate copies of work permits issued during the previous month. (92.8)

November 1-10 SECRETARY, on or before the tenth day of the month, shall file with the board the statement of the receipts and expenditures of the previous month with the balance on hand in each fund. (291.7)

November 1-14 COUNTY TREASURER, before the fifteenth day of each month, shall give notice to the president of the amount collected for each fund during the previous month. PRESIDENT shall draw draft therefor, countersigned by secretary. (298.13)

November 11 VETERANS' DAY (31.7)

DECEMBER

December 1-10 SUPERINTENDENT, between the first and tenth days of each month, shall file with the labor commissioner duplicate copies of work permits issued during the previous month. (92.8)

December 1-10 SECRETARY, on or before the tenth day of the month, shall file with the board the statement of the receipts and expenditures of the previous month with the balance on hand in each fund. (291.7)

December 1-14 COUNTY TREASURER, before the fifteenth day of each month, shall give notice to the president of the amount collected for each fund during the previous month. PRESIDENT shall draw draft therefor, countersigned by secretary. (298.13)

December 31 COUNTY SUPERINTENDENT, on or before December first, shall submit to the board of supervisors a detailed estimate of expenditures for the following calendar year. (344.1, 273.13, subsection 10)

December 31 COUNTY SUPERINTENDENT should request Improvement of Instruction appropriation from the board of supervisors. (272.5)

JANUARY

January 1 STATE SUPERINTENDENT OF PUBLIC INSTRUCTION shall report the number of persons of school age in each county to state comptroller. (257.18, subsection 18)

January 1 COUNTY AUDITOR shall report to the state comptroller the amount of permanent school funds held by the county and the amount of interest due. (298.12)

January 1-10 SUPERINTENDENT, between the first and tenth days of each month, shall file with the labor commissioner duplicate copies of work permits issued during the previous months. (92.8)

January 1-10 SECRETARY, on or before the tenth day of the month, shall file with the board the statement of the receipts and expenditures of the previous month with the balance on hand in each fund. (291.7)

January 1-10 BOARD shall arrange for publication of the quarterly financial statement. (279.34)

January 1-10 COUNTY BOARD OF EDUCATION shall arrange for publication of the annual financial statement (273.13, subsection 13)

January 1-14 COUNTY TREASURER, before the fifteenth day of each month, shall give notice to the president of the amount collected for each fund during the previous month. PRESIDENT shall draw draft therefor, countersigned by secretary. (298.13)

FEBRUARY

February 1-10 SUPERINTENDENT, between the first and tenth days of each month, shall file with the labor commissioner duplicate copies of work permits issued during the previous month. (92.8)

February 1-10 SECRETARY, on or before the tenth day of the month, shall file with the board the statement of the receipts and expenditures of the previous month with the balance on hand in each fund. (291.7)

February 1-14 COUNTY TREASURER, before the fifteenth day of each month, shall give notice to the president of the amount collected for each fund during the previous month. PRESIDENT shall draw draft therefor, countersigned by secretary. (298.13)

February 15 SECRETARY, on or before February fifteenth and June fifteenth, shall deliver to the secretary of the debtor district an itemized statement of tuition due. (282.20)

MARCH

March 1-10 SUPERINTENDENT, between the first and tenth days of each month, shall file with the labor commissioner duplicate copies of work permits issued during the previous month. (92.8)

March 1-10 SECRETARY, on or before the tenth day of the month, shall file with the board the statement of the receipts and expenditures of the previous month with the balance on hand in each fund. (291.7)

March 1-14 COUNTY TREASURER, before the fifteenth day of each month, shall give notice to the president of the amount collected for each fund during the previous month. PRESIDENT shall draw draft therefor, countersigned by secretary. (298.13)

March, first Monday STATE COMPTROLLER shall apportion interest on the permanent school fund among the counties. (8.6, subsection 9)

March 21 BIRD DAY (279.39)

APRIL

April 1 BOARD OF SUPERVISORS shall file certificate of claim for school tax loss reimbursement on government-owned lands not later than April first. (284.3)

April 1-10 SUPERINTENDENT, between the first and tenth days of each month, shall file with the labor commissioner duplicate copies of work permits issued during the previous month. (92.8)

April 1-10 SECRETARY, on or before the tenth day of the month, shall file with the board the statement of the receipts and expenditures of the previous month with the balance on hand in each fund. (291.7)

April 1-10 BOARD shall arrange for publication of the quarterly financial statement. (279.34)

April, first Monday COUNTY AUDITOR, on the first Monday in April and October, shall apportion the school tax (298.10), interest on the permanent school fund, and other funds belonging to the schools of the county. (298.11)

April 1-14 COUNTY TREASURER, before the fifteenth day of each month, shall give notice to the president of the amount collected for each fund during the previous month. PRESIDENT shall draw draft therefor, countersigned by secretary. (298.13)

April 10-15 TEACHERS AND BOARD. Teacher, to resign, must file a written resignation on or before April fifteenth. Board, to terminate contract, must do so by a majority vote of full membership and send the teacher a written notice by registered mail not later than April tenth; provided that at least ten days prior to mailing such notice the teacher has been informed in writing that (1) the board is considering termination and (2) the teacher has a right to private conference with the board if the teacher files a request therefor with the president or secretary within five days. The board must grant such request before any notice of termination is given. (279.13)

April, last Friday ARBOR DAY and WEEK is set by proclamation of the Governor, usually during the latter part of April. (186A.1) (279.38)

April 15 COUNTY AUDITOR, on the fifteenth day of July, October, and April, shall furnish to the county superintendent a statement showing various appropriations to his office together with a statement of the unexpended balances of such appropriations. (344.7)

MAY

May 1-10 SUPERINTENDENT, between the first and tenth days of each month, shall file with the labor commissioner duplicate copies of work permits issued during the previous month. (92.8)

May 1-10 SECRETARY, on or before the tenth day of the month, shall file with the board the statement of the receipts and expenditures of the previous month with the balance on hand in each fund. (291.7)

May 1-14 COUNTY TREASURER, before the fifteenth day of each month, shall give notice to the president of the amount collected for each fund during the previous month. PRESIDENT shall draw draft therefor, countersigned by secretary. (298.13)

May 1-15 SUPERINTENDENT should remind school bus drivers to apply for school bus driver permits for the coming school year. (285.11, subsection 11)

JUNE

June 1-10 SUPERINTENDENT, between the first and tenth days of each month, shall file with the labor commissioner duplicate copies of work permits issued during the previous month. (92.8)

June 1-10 SECRETARY, on or before the tenth day of the month, shall file with the board the statement of the receipts and expenditures of the previous month with the balance on hand in each fund. (291.7)

June 1-14 COUNTY TREASURER, before the fifteenth day of each month, shall give notice to the president of the amount collected for each fund during the previous month. PRESIDENT shall draw draft therefor, countersigned by secretary (298.13)

June 1-30 even-numbered years SECRETARY shall take the school census. (291.9)

June 1-30 COUNTY SUPERINTENDENT shall prepare and submit detailed budget for approval of the county board of education. (273.18, subsection 16)

June 1-30 SUPERINTENDENT AND SECRETARY should begin preparation of the annual report to the county superintendent. (291.10)

June 1-30 SUPERINTENDENT AND SECRETARY should prepare and submit to the county superintendent application blanks for General Aid, Supplemental Aid, Transportation Aid, and Driver Education Aid. (286A.5, 286.7, 285.3, 321.513).

June 14 FLAG DAY

June 15 SECRETARY, on or before February fifteenth and June fifteenth, shall deliver to the secretary of the debtor district an itemized statement of tuition due. (282.20)

June 30 END OF SCHOOL YEAR AND FISCAL YEAR (24.2, subsection 4, 279.10)